

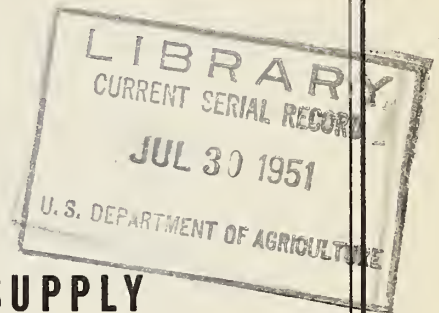
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FARM CREDIT ADMINISTRATION
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

**HANDBOOK ON
MAJOR REGIONAL FARM SUPPLY
PURCHASING COOPERATIVES
1949 AND 1950**



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The Cooperative Research and Service Division conducts research studies and service activities relating to problems of management, organization, policies, merchandising, sales, costs, competition, and membership arising in connection with the cooperative marketing of agricultural products and the cooperative purchase of farm supplies and services; publishes the results of such studies; confers and advises with officials of farmers' cooperative associations; and cooperates with educational agencies, cooperative associations, and others in the dissemination of information relating to cooperative principles and practices.



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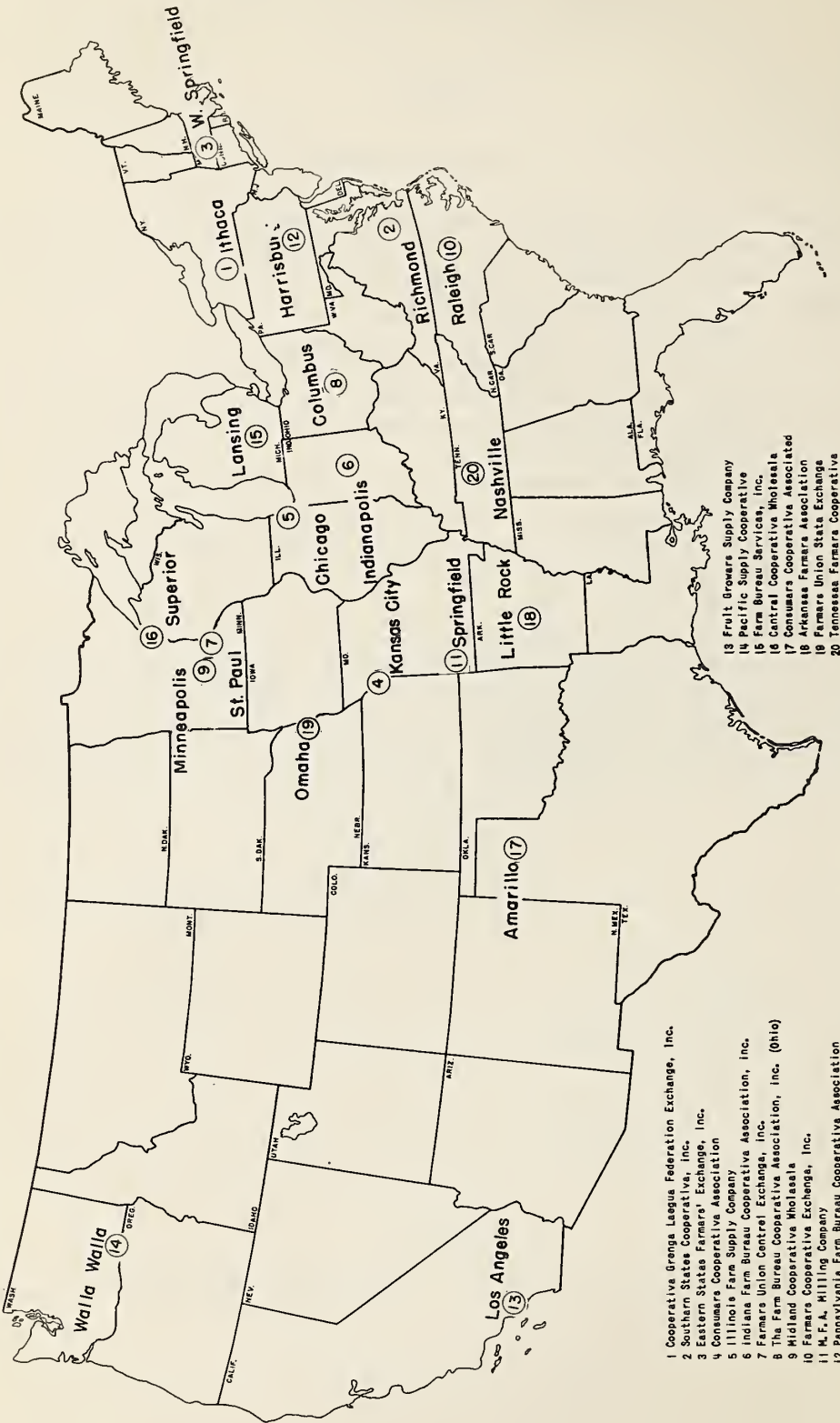
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LOCATION OF 20 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES



- 1 Cooperative Grengs League Federation Exchange, Inc.
- 2 Southern States Cooperative, Inc.
- 3 Eastern States Farmers' Exchange, Inc.
- 4 Consumers Cooperative Association
- 5 Illinois Farm Supply Company
- 6 Indiana Farm Bureau Cooperative Association, Inc.
- 7 Farmers Union Central Exchange, Inc.
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- 20 Tennessee Farmers Cooperative

NOTE: Associations are numbered according to volume of retail and wholesale purchasing business for 1950.

HANDBOOK ON MAJOR REGIONAL FARM
SUPPLY PURCHASING COOPERATIVES, 1949 and 1950

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Part I of this handbook presents comparable information for each of the 20 major regional farm supply cooperatives in the United States for their fiscal years ending in 1949 and 1950. These associations are listed in the order of the amount of wholesale and retail supply business done in 1950. A summary of this information showing the character and importance of these associations as a group is given in Part II.

Nineteen of the associations described perform a wholesale service for retail cooperative outlets of various types. Fourteen associations engaged in a wholesale business only, five did both a wholesale and a retail business, and one distributed all supplies direct to individual purchasers. Six associations also marketed farm products cooperatively. The association reports show the main points of similarity and of difference between these organizations.

It is not feasible to provide information for a considerable number of the smaller regional farm supply purchasing cooperatives. There also are many regional marketing cooperatives that perform an extensive purchasing service. Information as to the value of supplies distributed to farmers through five of these associations that had a combined supply volume of \$70 million in 1950 is shown in the appendix.

PART I

ASSOCIATION REPORTS FOR 20 MAJOR REGIONAL FARM SUPPLY
PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN
1949 AND 1950

Information for each of the 20 associations included in this report is shown in this section. The principal items considered include: Date of organization, area of service, types of local outlets, types of supplies

NOTE: Appreciation is expressed to officials of the associations who provided the information used in preparing this handbook and to J. W. Mather, Mrs. Catherine Boswell, and Mrs. Mary H. Eberly, Cooperative Research and Service Division, for valuable assistance.

handled and products marketed, dollar volume of wholesale, retail, and marketing business, distribution of savings, financial condition and number of employees.

COOPERATIVE GRANGE LEAGUE FEDERATION EXCHANGE, INC.

The Cooperative Grange League Federation Exchange, Inc., known as the "G.L.F.," was organized on June 28, 1920. It serves farmers in New York, New Jersey, and the northern tier of counties in Pennsylvania--roughly the territory known as the "New York Milkshed." Its administrative offices are in Ithaca, N. Y.

The G.L.F. is a centralized cooperative. Its board of directors is responsible directly to farmer-members. Membership is determined by ownership of common stock and bona fide farm operation. Any farmer-patron who owns at least one \$5 share of G.L.F. Exchange common stock qualifies as a member.

Since it performs manufacturing, processing, wholesaling, transportation, and retailing services, G.L.F. is an integrated organization. At the end of the fiscal year, June 30, 1950, G.L.F. was providing these services to about 155,000 regular farmer-patrons. Farmer-patrons qualifying as members numbered about 108,000.

On June 30, 1950, the G.L.F. was serving its patrons through the following types of retail organizations:

| <u>Type of retail outlet</u> | <u>Number</u> |
|---|---------------|
| G.L.F. retail service stores (including 2 full branches)..... | 233 |
| G.L.F. zero food branches <u>1</u> /..... | 4 |
| G.L.F. farm store branches..... | 47 |
| G.L.F. petroleum bulk plants <u>2</u> /..... | 73 |
| G.L.F. agent buyers..... | 320 |
| Independent local cooperatives..... | 41 |
| Supplementary agents..... | 21 |
| Farmer agents..... | 9 |
| Total..... | 748 |

The retail service stores are cooperative corporations managed by G.L.F. They distribute farm supplies and in some cases market farm products for patrons. All of their common stock is owned by the Exchange. Their preferred stock is owned by local farmers. Annual meetings are held at which member committees are elected. The member committee has many of the powers of a local board of directors, but its acts are subject to

1/ Pilot operation, now being discontinued.

2/ Includes 5 branches, 3 liquefied petroleum gas depots, 1 retail filling station.

the approval of the Exchange as the holder of the common stock. These stores are financed centrally and are supervised through management contracts that may be canceled at any time by the service stores. G.L.F. petroleum bulk plants are organized in a similar way except that they are located so as to perform a specialized petroleum service for patrons over wider areas. Between 60 to 65 percent of G.L.F.'s wholesale volume is distributed through these service stores and petroleum cooperatives.

Agent-buyers are private businesses that have been granted franchises to handle G.L.F. farm supplies in accordance with policies. The independent local cooperatives are locally controlled farmers' associations handling G.L.F. farm supplies on the same basis as agent-buyers. In many cases these cooperatives are primarily local marketing associations, with purchasing as an additional service. Supplementary agents are merchants or others who handle certain G.L.F. products such as fertilizer or seed, but not the complete line. Approximately 35 to 40 percent of G.L.F.'s wholesale volume is distributed through agent-buyers, independent local cooperatives, and supplementary agents.

These various types of retail outlets obtain supplies for redistribution under the same wholesale terms through the manufacturing plants and warehouses that G.L.F. maintains at Buffalo, Albany, and other strategically located terminal centers. They also obtain supplies from other commercial sources.

The value of supplies distributed by G.L.F. to retail outlets for the fiscal years ending June 30, 1949 and 1950 was as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|---|---------------|---------------|
| Feed, grain, flour, and cereals..... | \$84,642,268 | \$85,404,102 |
| Fertilizer and lime (including shells, bedding, etc.)..... | 11,744,162 | 11,710,270 |
| Petroleum products..... | 10,006,298 | 11,035,051 |
| Tires, tubes, and auto supplies..... | 1,304,853 | 1,263,002 |
| Seed and seed potatoes <u>3/</u> | 4,725,669 | 5,634,923 |
| Hardware (tools)..... | 286,196 | 316,750 |
| Refrigeration equipment..... | 999,293 | 974,414 |
| Farm equipment and parts..... | 2,423,553 | 2,093,019 |
| Steel and other metal products <u>4/</u> | 2,379,136 | 2,490,423 |
| Building material, paint, roofing, cement, etc..... | 1,881,692 | 1,696,390 |
| Insecticides and sprays and farm chemicals..... | 1,960,725 | 2,034,088 |
| Package materials..... | 625,583 | 690,340 |
| Rope and twine..... | 457,497 | 716,845 |
| Farm and home appliances..... | 157,430 | 126,457 |
| Miscellaneous <u>5/</u> | 1,131,063 | 652,023 |
| Total..... | \$124,725,418 | \$126,838,097 |
| Less interdivision business..... | 239,926 | 134,499 |
| Total..... | \$124,485,492 | \$126,703,598 |

3/ Does not include Fort Wayne shipments to non-G.L.F. outlets.

4/ Includes wire and nails, roofing, pipe and fittings, etc.

5/ Includes rubber and canvas, agency supplies, ladders, radios, and other commodities.

The value of services and supplies obtained at retail by farmers through G.L.F. managed retail outlets for the years ending June 30, 1949 and 1950, was as follows:

| <u>Source of supplies or services</u> | <u>1949</u> | <u>1950</u> |
|---|---------------|---------------|
| G.L.F. retail service stores, farm store branches, and frozen food lockers..... | \$88,615,941 | \$89,275,504 |
| G.L.F. petroleum bulk plants..... | 14,111,721 | 15,096,231 |
| Total..... | \$102,727,662 | \$104,371,735 |

During the war years G.L.F. greatly expanded its cooperative marketing services for farm products. Most of this expansion was in fruits and vegetables and involved the operation of three canning plants. In 1949, canning activities were discontinued. The principal marketing operations now are in eggs, grain, and beans. Much of the marketing is carried out through retail service stores, with some separate facilities maintained for eggs and beans. There are two local marketing cooperatives organized as subsidiaries of G.L.F. The following summary shows the types of marketing facilities maintained by G.L.F. as of June 30, 1950:

| <u>Types of marketing facilities</u> | <u>Number</u> |
|---|---------------|
| Canning plants (not operating)..... | 1 |
| Bean plants..... | 3 |
| Flour and cereal plants <u>6/</u> | 2 |
| Terminal egg sales agencies..... | 5 |
| Country egg stations..... | 14 |
| Terminal sales agencies for beans, wheat, and other grains. | 1 |
| Cold storage plants..... | 1 |
| Transportation service unit..... | 1 |

The value of farm products marketed by G.L.F. 7/ for the years ending June 30, 1949 and 1950 follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|---|--------------|--------------|
| Eggs..... | \$8,022,830 | \$8,347,306 |
| Fruits and vegetables (including canned goods)..... | 3,502,170 | 675,706 |
| Grain <u>8/</u> | 5,819,908 | 3,315,296 |
| Beans..... | 1,663,051 | 1,572,755 |
| Hay and straw..... | 416,942 | 462,596 |
| Miscellaneous and unclassified <u>2/</u> | 88,554 | 110,308 |
| Total after elimination of intercompany business | \$19,513,455 | \$14,483,967 |

6/ Now considered as purchasing operation.

7/ Includes marketing by service stores.

8/ 1949 figure includes flours and cereals.

2/ Includes poultry, livestock, and seed.

In addition in 1949 these marketing units purchased egg cases, seed beans, seed and plants, containers, fertilizer and sprays, and performed storage and other services valued at \$900,723. In 1950 the value of these items was \$947,234.

Net savings, before income taxes, of the G.L.F. for the years ending June 30, 1949 and 1950 were derived as follows:

| <u>Source of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Manufacturing and wholesale purchasing and marketing..... | \$3,374,252 | \$4,037,649 |
| G.L.F. retail service stores..... | 1,819,581 | 2,286,835 |
| G.L.F. retail petroleum distribution operations. | 247,318 | 100,019 |
| Other operations(local marketing co-ops., etc.). | 15,220 | 22,973 |
| Less intercompany dividends..... | -806 | -810 |
| Total..... | \$5,455,565 | \$6,446,666 |

These net savings were distributed in the following manner:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|------------------------------------|-------------|-------------|
| Federal income taxes..... | \$938,531 | \$1,121,583 |
| Cash dividends on stock..... | 921,858 | 1,155,563 |
| Patronage refunds in cash..... | 2,070,945 | 2,190,004 |
| Additions to reserves, etc..... | 1,524,231 | 1,979,516 |
| Total..... | \$5,455,565 | \$6,446,666 |

All patronage refunds paid in certificates in prior years have been retired and the association has no revolving plan of financing currently in use.

The financial condition of the Cooperative G.L.F. Exchange, Inc., including its wholesale divisions, financing and credit subsidiaries, retail service stores and petroleum co-ops, and marketing associations as of June 30, 1949 and 1950 is shown in the following condensed consolidated balance sheet:

| | <u>1949</u> | <u>1950</u> |
|--|--------------|--------------|
| Assets: | | |
| Current assets..... | \$27,757,354 | \$31,044,822 |
| Fixed assets (net)..... | 18,936,614 | 18,749,677 |
| Other assets (investments, etc.)..... | 8,145,711 | 9,353,020 |
| Total..... | \$54,839,679 | \$59,147,519 |
| Liabilities and patrons' equity: | | |
| Current liabilities..... | \$9,143,034 | \$9,651,393 |
| Other liabilities..... | 9,064,708 | 6,527,305 |
| Capital stock and patrons' equity..... | 36,631,937 | 42,968,821 |
| Total..... | \$54,839,679 | \$59,147,519 |

The following tabulation shows the number and value of facilities owned and operated by G.L.F. and its affiliated service stores, and petroleum and marketing cooperatives on June 30, 1950:

| Type of facility | Number of plants or units ^{10/} | Cost value | Depre- ciated value |
|--|--|---------------|---------------------------|
| Feed mills..... | 3 | \$6,655,351 | \$4,857,750 |
| Fertilizer and insecticide plants.. | 12 | 2,060,312 | 1,525,213 |
| Seed cleaning plants..... | 6 | 856,340 | 512,770 |
| Wholesale farm supply warehouses... | 8 | 433,986 | 371,206 |
| Petroleum bulk storage terminals... | 5 | 1,024,360 | 979,706 |
| Retail farm supply stores..... | 280 | 8,240,752 | 5,537,935 |
| Bulk petroleum plants..... | 70 | 1,494,745 | 802,516 |
| Marketing warehouses, storage, and processing plants (includes 1 can- ning plant not operating)..... | 25 | 1,372,099 | 1,114,727 |
| Office buildings..... | 1 (group) | 619,633 | 431,219 |
| Freezer-locker plants..... | 5 | 326,468 | 183,513 |
| Flour and cereal milling and local feed mill and elevator..... | 3 | 312,070 | 255,215 |
| Miscellaneous..... | 4 | 130,759 | 107,355 |
| Total..... | | \$23,526,875 | \$16,679,125 |

In addition to these facilities, G.L.F. had \$5,339,533 invested in jointly owned federations of regionals which operated various manufacturing and wholesaling facilities.

On June 30, 1950, G.L.F. had 3,837 employees. Of these, 206 were engaged in general administrative activities; 1,267 in manufacturing, warehousing, and processing operations; 2,153 in retail distribution; and 211 in marketing farm products. These figures do not include retail employees of independent cooperatives or agent-buyers and their employees who may spend most of their time in distributing G.L.F. farm supplies. The figures for the three operating groups include administrative, accounting, and clerical employees.

SOUTHERN STATES COOPERATIVE, INC.

The Southern States Cooperative, Inc., Richmond, Va., was organized on July 21, 1923, as the Virginia Seed Service. It was reorganized in 1933 under its present name. At the end of its operating year on June 30, 1950, it was serving through local cooperatives, service agencies, and farmer agents approximately 249,500 members in Virginia, West Virginia, Kentucky, Maryland, Delaware, and Tennessee. Substantially all of its patrons were farmers and 80 percent were members. A farmer-patron

^{10/} Including leased facilities with owned equipment.

becomes a member by acquiring ownership of one or more shares of \$1 par value voting stock issued in payment of patronage refunds.

On June 30, 1950, the Southern States Cooperative was serving its patrons through the following types of retail outlets:

| <u>Type of retail outlet</u> | <u>Number</u> |
|---|---------------|
| Local affiliated cooperatives: | |
| Farm supply stores with management contracts..... | 117 |
| Farm supply stores without management contracts..... | 62 |
| Petroleum service plants with management contracts..... | 26 |
| Locker plants with management contracts..... | 10 |
| Service agencies (privately owned)..... | 563 |
| Farmer agents (fertilizer only)..... | 190 |

Local affiliated cooperatives with management contracts are separately incorporated associations whose boards of directors have employed Southern States through the medium of a management contract to perform certain management, accounting, auditing, and financial services on a fee basis. Those without management contracts are independent cooperative associations which use Southern States Cooperative as a wholesale source of supply. Approximately 34 percent of Southern States' wholesale volume is distributed through these cooperatives.

Service agencies are private retail farm supply dealers who have been awarded the Southern States franchise by the local membership. Under the terms of this franchise, dealers handle the supplies under agreed-upon conditions. The farmer-agents are individual farmers who pool fertilizer orders and handle distribution to neighbors in communities where such service is not otherwise available. Approximately 66 percent of Southern States' wholesale volume is distributed through farmer-agents.

Feed and fertilizer manufacturing operations of Southern States Cooperative are conducted by several subsidiary cooperatives. These subsidiary manufacturing cooperatives are owned by a number of wholesale farm purchasing cooperatives that use them as a source of a portion or all of their feed and fertilizer requirements. These cooperatives are the Farmers Cooperative Exchange, Raleigh, North Carolina; Pennsylvania Farm Bureau Cooperative Association, Harrisburg, Pennsylvania; Farm Bureau Cooperative Association, Columbus, Ohio; and Cotton Producers Association, Atlanta, Georgia. Ownership of the manufacturing subsidiaries by the several cooperatives involved is in proportion to use or patronage and is annually adjusted to maintain ownership on that basis. Each of the participating cooperatives pays its exact share of operating expenses and therefore obtains manufacturing service at cost.

The value of supplies distributed at wholesale, together with the value of supplies manufactured for the account of affiliated regional cooperatives, for the fiscal years ending June 30, 1949 and 1950, were as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|--|--------------|--------------|
| Feed..... | \$47,296,226 | \$46,655,110 |
| Fertilizer..... | 11,713,209 | 12,814,177 |
| Seed..... | 4,841,887 | 5,230,182 |
| Petroleum products..... | 4,000,830 | 4,293,908 |
| Auto accessories..... | 704,473 | 654,996 |
| Farm equipment and tools..... | 1,448,608 | 1,503,420 |
| Hardware and steel products..... | 2,977,800 | 2,789,900 |
| Paint and asphalt..... | 831,426 | 698,020 |
| Insecticides, sprays, and chemicals..... | 1,058,808 | 1,044,061 |
| Electrical equipment and appliances..... | 1,010,712 | 1,197,648 |
| Miscellaneous..... | 72,171 | 79,380 |
| Total..... | \$75,956,150 | \$76,960,802 |

Of the total, approximately \$14,059,994 worth of supplies in 1949 and \$14,068,149 in 1950 were manufactured for the account of other regional cooperatives.

The value of supplies distributed at retail by Southern States Cooperative managed retail outlets amounted to \$32,315,468 in 1949 and \$32,592,836 in 1950.

In recent years Southern States Cooperative has established marketing services for several farm products produced by members. As of June 30, 1950, the association operated four terminal egg sales agencies, and a terminal grain marketing service.

The value of farm products marketed through Southern States Cooperative follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|------------------|--------------|-------------|
| Eggs..... | \$1,965,519 | \$1,787,376 |
| Poultry..... | 7,497,804 | - |
| Grain..... | 2,797,737 | 3,130,866 |
| Total..... | \$12,261,060 | \$4,918,242 |

Total net savings of Southern States Cooperative for years ending June 30, 1949 and 1950, were derived as follows:

| <u>Source of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Manufacturing and wholesaling purchasing..... | \$2,283,210 | \$2,682,571 |
| Retail farm supply stores..... | 492,571 | 681,229 |
| Retail petroleum distribution operations..... | -44,711 | 69,930 |
| Marketing operations..... | -64,965 | -108,374 |
| Other operations..... | 99,396 | 276,361 |
| Less intercompany dividends..... | 432,348 | 548,727 |
| Total..... | \$2,333,153 | \$3,052,990 |

These net savings were distributed as follows:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|--|-------------|-------------|
| Cash dividends on stock..... | \$674,725 | \$759,485 |
| Patronage refunds in cash..... | 657,723 | 682,280 |
| Patronage refunds paid in capital stock..... | 895,423 | 484,981 |
| Reserves, adjustments, etc..... | 105,282 | 1,126,244 |
| Total..... | \$2,333,153 | \$3,052,990 |

For the year ending June 30, 1949, the association retired voting stock amounting to \$3,060, issued originally in the payment of patronage refunds. For the year ending June 30, 1950, the redemptions totaled \$30,580. For many years the policy has been to call and retire at par value the voting stock issued 10 years previous.

The financial condition of Southern States Cooperative, Inc., its wholly owned subsidiaries and partly owned manufacturing subsidiaries, and its affiliated local retail cooperatives, on June 30, 1949 and 1950 is shown in the following consolidated financial statements:

| | <u>1949</u> | <u>1950</u> |
|---------------------------------------|--------------|--------------|
| Assets: | | |
| Current assets..... | \$15,676,168 | \$15,653,101 |
| Fixed assets (net)..... | 11,121,013 | 11,039,084 |
| Other assets..... | 3,972,514 | 5,485,615 |
| Total..... | \$30,769,695 | \$32,177,800 |
| Liabilities and net worth: | | |
| Current liabilities..... | \$5,609,526 | \$2,624,422 |
| Deferred liabilities..... | 5,064,981 | 8,062,248 |
| Net worth (capital and reserves)..... | 20,095,188 | 21,491,130 |
| Total..... | \$30,769,695 | \$32,177,800 |

The following is a tabulation of the number and value of facilities owned and operated by the Southern States Cooperative, Inc., its subsidiaries and affiliated local cooperatives on June 30, 1950:

| Type of facility | Number of plants or units | Cost value | Depre- ciated value |
|---|---------------------------------|---------------|---------------------------|
| Headquarters building..... | 1 | \$2,144,340 | \$2,001,271 |
| Poultry and egg marketing outlets.. | 5 | 761,577 | 592,436 |
| Frozen-food locker plants..... | 10 | 547,290 | 454,810 |
| Feed mills..... | 5 | 3,197,485 | 2,050,355 |
| Fertilizer plants..... | 4 | 1,378,476 | 1,033,297 |
| Seed cleaning plants and wholesale farm supply warehouses..... | 9 | 2,200,528 | 1,716,096 |
| Southern States Cooperative retail service stores..... | 117 | 1,851,579 | 1,484,622 |
| Bulk petroleum plants..... | 28 | 1,125,052 | 926,102 |
| Oil delivery trucks..... | 82 | 374,702 | 187,202 |
| Transport trucks..... | 17 | 81,987 | 37,825 |
| General delivery trucks..... | 192 | 384,815 | 131,769 |
| Research and analysis laboratory... | 1 | 13,283 | 3,671 |
| Grain marketing facilities..... | 1 | 145,097 | 130,216 |
| Other facilities..... | | 450,454 | 289,411 |
| Total..... | | \$14,656,665 | \$11,039,083 |

In addition to these facilities, Southern States Cooperative had \$199,600 invested in jointly owned federations of regionals which operated various manufacturing and wholesaling facilities.

On June 30, 1950, Southern States Cooperative had 1,915 employees. Of these, 688 were engaged in general administrative activities; 665 in manufacturing, warehousing, and processing operations; 523 in retail distribution; and 39 in marketing farm products.

EASTERN STATES FARMERS' EXCHANGE, INC.

The Eastern States Farmers' Exchange, Inc., with headquarters at West Springfield, Mass., was organized on January 28, 1918. By December 31, 1949, it was serving 136,982 patrons located in the six New England States, Pennsylvania (except for the northern tier of counties), Delaware, and part of Maryland.

Membership in Eastern States is determined by patronage. The association has no capital stock or membership fees. Every farmer who purchases through the association becomes a member and remains a member for the calendar year following the date of his last purchase. Only 2.7 percent of the 1949 volume of business was with non-farmers.

Patrons are served through 447 farmer-representatives, 20 independent cooperative associations, that also serve as representatives, and 74 regional branch warehouses strategically located to supplement local car-door distribution.

Eastern States is an integrated farmers' cooperative production supply procurement agency which processes a large proportion of the items it handles. The value of supplies distributed to patrons for the fiscal years ending December 31, 1949 and 1950 was as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|---|--------------|--------------|
| Feed and grain..... | \$67,072,105 | \$68,645,902 |
| Field seeds..... | 2,482,767 | 2,622,839 |
| Seed potatoes..... | 1,163,703 | 948,040 |
| Vegetable seeds..... | 294,403 | 293,662 |
| Fertilizer and lime..... | 4,930,174 | 4,636,830 |
| Spray materials..... | 941,775 | 981,696 |
| Miscellaneous (roofing, paints, lubricants, etc.)..... | 1,440,507 | 1,832,858 |
| Total..... | \$78,325,434 | \$79,961,827 |

Net savings of patrons on purchases made through Eastern States after withholding and allocating to members retains for operating capital were \$1,457,370 in 1949 and \$2,149,165 in 1950. These savings were distributed in the following way:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Patronage refunds in cash..... | \$976,438 | \$1,719,332 |
| Amount allocated to members and retained... | 480,932 | 429,833 |
| Total..... | \$1,457,370 | \$2,149,165 |

The financial statements for the Eastern States Farmers' Exchange as of December 31, 1949 and 1950 were as follows:

| | <u>1949</u> | <u>1950</u> |
|---------------------------------------|--------------|--------------|
| Assets: | | |
| Current assets..... | \$12,529,477 | \$13,423,802 |
| Fixed assets (net)..... | 14,256,469 | 16,285,820 |
| Other assets..... | 846,954 | 729,738 |
| Total..... | \$27,632,900 | \$30,439,360 |
| Liabilities and net worth: | | |
| Current liabilities and reserves..... | \$2,688,883 | \$5,056,202 |
| Fixed indebtedness..... | 9,000,000 | 7,000,000 |
| Net worth (patrons' equity)..... | 15,944,017 | 18,383,158 |
| Total..... | \$27,632,900 | \$30,439,360 |

All net worth, or patrons' equity, in this non-stock, farmers, cooperative was accumulated through retained savings. In other words, each patron has contributed to the structure in proportion to the use he has chosen to make of the services provided.

On December 31, 1950, Eastern States had 1,424 employees. Of these 426 were engaged in general administrative activities; 739 in manufacturing and processing operations; and 259 in distributing through its warehouses. These figures include only employees on the payroll of the organization. They do not include farmer-representatives and employees of cooperatives distributing supplies to Eastern States as their compensation is in the form of local handling charges paid by members.

CONSUMERS COOPERATIVE ASSOCIATION

The Consumers Cooperative Association, Kansas City, Mo., was organized in 1929. At the end of its operating year, August 31, 1950, it served 1,417 member associations and 306 non-member associations in Missouri, Kansas, Oklahoma, Nebraska, Iowa, Colorado, North Dakota, South Dakota, Utah, and Wyoming. These associations, in turn, served approximately 423,000 patrons, of whom about 98 percent were farmers.

The Cooperative Refinery Association, a subsidiary corporation, performs oil refining and producing services. All of the common stock of the Cooperative Refinery Association is owned by the Consumers Cooperative Association. Savings of the subsidiary, after reserves have been created and dividends paid on preferred stock, accrued to the Consumers Cooperative Association.

The value of supplies distributed by the Consumers Cooperative Association and its subsidiary is shown in the following summary for the fiscal years ending August 31, 1949 and 1950:

| <u>Commodity</u> | <u>11/ 1949</u> | <u>1950</u> |
|--|-----------------|--------------|
| Petroleum products..... | \$37,774,922 | \$43,450,045 |
| Tires, tubes, and auto accessories..... | 1,942,411 | 2,098,600 |
| Propane equipment and supplies..... | 488,571 | 378,452 |
| Farm machinery and parts..... | 2,190,151 | 1,130,923 |
| Farm equipment..... | 348,113 | 175,810 |
| Lumber, paint and building supplies..... | 2,019,595 | 2,418,604 |
| Hardware..... | 255,734 | 145,067 |
| Feed..... | 5,678,828 | 5,712,936 |
| Seed..... | 9,122 | 55,108 |
| Fertilizer..... | 1,635,598 | 2,509,758 |
| Insecticides..... | 503,905 | 616,670 |
| Fence and wire..... | 488,286 | 568,623 |
| Farm and home appliances..... | 593,638 | 629,302 |
| Twine..... | 245,184 | 200,620 |
| Coal and coke..... | 10,538 | 68,486 |
| Groceries..... | 1,064,765 | 1,379,083 |
| Store supplies and equipment..... | 88,386 | 122,221 |
| Miscellaneous <u>12/</u> | 654,384 | 768,152 |
| Total..... | \$55,992,131 | \$62,428,460 |

11/ Revised.

12/ Includes housewares, household supplies, feed bags, printing supplies, drugs and cosmetics, sporting goods, sundries, and transportation services.

Total net savings from operations of CCA and CRA amounted to \$86,334 in 1949 and \$722,076 in 1950.

Savings were distributed in the following manner for the past 2 years:

| <u>Distributions of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-----------------|------------------|
| Cash dividends on stock..... | \$93,683 | \$82,829 |
| Patronage refunds in cash..... | 21,960 | - |
| Patronage refunds in share capital..... | 1,056 | - |
| Additions to reserves..... | -32,280 | 639,247 |
| Deferred patronage refunds to revolving fund. | 1,105 | - |
| Provision for income tax..... | 810 | - |
| Total..... | <u>\$86,334</u> | <u>\$722,076</u> |

Other affiliated and partially-owned businesses of CCA-CRA provided additional margins for a grand total of \$437,378 net savings in 1949 and \$732,293 in 1950 as follows:

| | <u>1949</u> | <u>1950</u> |
|---|------------------|------------------|
| CCA-CRA..... | \$86,334 | \$722,076 |
| The Cooperative Finance Association, Inc..... | 546 | 1,092 |
| Consumers Insurance Agency..... | 7,413 | 9,125 |
| Bridgeport Oil Co., Inc. (proportionate to ownership) | 343,085 | 13/ - |
| Total..... | <u>\$437,378</u> | <u>\$732,293</u> |

Certificates in the amount of \$530,891 originally issued in payment of 1943 deferred patronage refunds were retired during 1949 under the revolving fund plan. Redemptions representing 1944 deferred patronage refunds totaled \$923,546 in 1950.

The consolidated balance sheet of the Consumers Cooperative Association and its subsidiary for the years ending August 31, 1949 and 1950, was as follows:

| | <u>1949</u> | <u>1950</u> |
|----------------------------|---------------------|---------------------|
| Assets: | | |
| Current assets..... | \$19,317,511 | \$18,039,906 |
| Fixed assets (net)..... | 23,615,127 | 22,988,340 |
| Other assets..... | 6,098,831 | 6,142,248 |
| Total..... | <u>\$49,031,469</u> | <u>\$47,170,494</u> |
| Liabilities and net worth: | | |
| Current liabilities..... | \$18,286,613 | \$14,185,257 |
| Other liabilities..... | 10,713,872 | 14,150,337 |
| Net worth..... | 20,030,984 | 18,834,900 |
| Total..... | <u>\$49,031,469</u> | <u>\$47,170,494</u> |

13/ Bridgeport Oil Company was liquidated on April 30, 1949, and subsequently operations of Bridgeport have been included as a part of the operations of CRA, insofar as they reflected CRA's distributed equity in Bridgeport's properties.

The principal facilities owned and operated by CCA and its petroleum subsidiary on August 31, 1950, were as follows:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|---|--|-----------------------|------------------------------------|
| Petroleum refineries..... | 4 | \$9,050,021 | \$6,938,444 |
| Crude oil production: | | | |
| Facilities (equipment)..... | | 5,697,166 | 4,405,298 |
| Oil reserves (leaseholds)..... | | 9,102,829 | 4,567,215 |
| Pipelines (miles)..... | 973 | 3,364,684 | 2,854,418 |
| Distribution and transportation: | | | |
| Warehouses and terminals <u>14</u> /..... | 8 | 651,664 | 536,763 |
| Highway transports <u>15</u> /..... | 94 | 715,902 | 388,653 |
| Manufacturing: | | | |
| Facilities..... | <u>16</u> / | 3,451,661 | 2,670,602 |
| Timber..... | | 391,680 | 188,658 |
| Administrative building and equipment..... | | 498,172 | 335,528 |
| Non-operating buildings and equipment..... | | 135,488 | 102,761 |
| Total..... | | \$33,059,267 | \$22,988,340 |

In addition to these facilities, CCA and CRA has \$4,310,000 invested in jointly owned federations of regional co-ops which operated various manufacturing and wholesaling facilities.

The Consumers Cooperative Association and its subsidiary corporations had 2,145 employees on August 31, 1950 -- 619 engaged in general administrative activities, 864 in oil production and refining, 399 in manufacturing plants (other than refining), and 263 in transportation terminals and warehouses.

ILLINOIS FARM SUPPLY COMPANY

The Illinois Farm Supply Company, with headquarters in Chicago, was organized in 1927. At the end of its operating year on August 31, 1950, it was providing a wholesale farm supply service for member associations

14/ Includes some machinery, equipment, furniture, and fixtures for leased facilities.

15/ Includes three fertilizer plants and one each of the following: A paint plant, printing plant, lumber mill, vegetable cannery, feed mill, alfalfa dehydration plant, soybean mill, and animal protein plant.

16/ Includes 65 tank trucks, 26 merchandise units and three service units.

throughout the State of Illinois. ^{17/} The member associations, in turn, served about 125,000 patrons, of whom 97 percent were farmers. Member associations must be organized under the Agricultural Cooperative Act of Illinois and must be engaged wholly or partly in cooperative distribution of farm supplies.

The value of supplies distributed by the Illinois Farm Supply Company during the fiscal years ending August 31, 1949 and 1950, was as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|---|--------------|--------------|
| Feed..... | \$8,419,306 | \$10,602,019 |
| Fertilizer..... | 4,606,220 | 4,857,480 |
| Petroleum products..... | 25,327,384 | 24,338,920 |
| Tires, tubes, and accessories..... | 758,614 | 1,080,512 |
| Farm equipment..... | 987,485 | 540,764 |
| Steel products..... | 752,854 | 676,232 |
| Lumber, paint and other maintenance equipment..... | 656,265 | 647,419 |
| Insecticides..... | 583,201 | 582,027 |
| Electrical equipment..... | 147 | 219 |
| Twine..... | 38,661 | 108,161 |
| Miscellaneous ^{18/} | 2,855,147 | 4,152,984 |
| Total..... | \$44,985,284 | \$47,586,737 |

The total net savings, before income taxes, from all manufacturing wholesaling, and transportation operations amounted to \$1,863,331 in 1949 and \$2,840,794 in 1950. These savings were distributed for the 2 years in the following way:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Income taxes..... | \$233,565 | \$296,000 |
| Cash dividends on stock..... | 289,077 | 323,055 |
| Patronage refunds in cash..... | 1,000,689 | 1,920,939 |
| Patronage refunds in capital stock..... | 265,000 | 200,800 |
| Additions to reserves..... | 75,000 | 100,000 |
| Total..... | \$1,863,331 | \$2,840,794 |

^{17/} Eighty-five of the member associations are cooperative petroleum service companies that operate over county-wide areas. The remaining 79 are farmers' cooperatives of various types.

^{18/} Includes the gross freight income of the transportation department.

The financial condition of the Illinois Farm Supply Company as of August 31, 1949 and 1950, was as follows:

| | <u>1949</u> | <u>1950</u> |
|-----------------------------------|----------------------|--------------|
| Assets: | | |
| Current assets..... | \$6,117,299 | \$8,020,961 |
| Fixed assets (net)..... | 3,990,421 | 4,607,232 |
| Other assets <u>19/</u> | 4,346,446 | 3,257,005 |
| Total..... | \$14,454,166 | \$15,885,198 |
| Liabilities and net worth: | | |
| Current liabilities..... | \$3,547,203 | \$4,735,501 |
| Other liabilities..... | <u>20/</u> 2,725,473 | 2,238,521 |
| Net worth (capital and reserves). | 8,181,490 | 8,911,176 |
| Total..... | \$14,454,166 | \$15,885,198 |

On August 31, 1950, 70 percent of the net worth had been accumulated through the sale of stock, while 30 percent represented retained savings.

The Illinois Farm Supply Company has one wholly-owned subsidiary - the Loudon Pipeline Company - which operates crude oil pipelines and a small amount of production properties. Only the investment which the Illinois Farm Supply Company has in this subsidiary is included in its balance sheet.

The type and value of the principal operating facilities owned by the Illinois Farm Supply Company and its wholly-owned subsidiary as of August 31, 1950, was as follows:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|---|--|-----------------------|------------------------------------|
| Feed mills..... | 2 | \$1,192,914 | \$1,070,190 |
| Marine terminal bulk petroleum plants..... | 2 | 334,786 | 228,830 |
| Transport trucks..... | 28 | 315,782 | 165,876 |
| Barges and towboats..... | 13 | 1,068,709 | 845,106 |
| Tire recapping plant..... | 1 | 7,759 | 422 |
| Plant food plant..... | 1 | 1,600,642 | 1,459,408 |
| Petroleum refinery..... | 1 | 825,600 | 727,454 |
| Other facilities..... | | <u>137,790</u> | <u>109,948</u> |
| Total..... | | \$5,483,982 | \$4,607,234 |

19/ Other assets include investment in wholly-owned pipeline. Also investment in 5 refineries jointly owned and other small investments.

20/ Includes \$2,203,000 balance due on 10 year, 4 percent, debentures.

In addition to these facilities, Illinois Farm Supply Company had \$402,378 invested in jointly owned federations of regional cooperatives which operated various manufacturing and wholesaling facilities.

The Illinois Farm Supply Company had 517 employees on August 31, 1950 - 170 engaged in general administration, and 347 in manufacturing, warehousing, and processing operations.

INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC.

The Indiana Farm Bureau Cooperative Association, Inc., with headquarters at Indianapolis, Ind., was organized in its present form in February 1927. At the end of its operating year, December 31, 1950, it was serving 85 county farm bureau cooperative associations in Indiana 21/ and 1 in Kentucky. These 86 associations distribute supplies to approximately 140,000 patrons, about 90 percent of whom are farmers.

Supplies distributed during 1949 and 1950 were as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|--|--------------|--------------|
| Feed..... | \$6,954,420 | \$8,007,179 |
| Seed..... | 1,483,042 | 1,560,772 |
| Fertilizer..... | 4,711,188 | 4,895,599 |
| Gas, oil, and grease..... | 12,140,225 | 15,136,282 |
| Tires, tubes, and other accessories..... | 194,482 | 386,143 |
| Farm machinery..... | 2,816,702 | 3,143,471 |
| Farm equipment..... | 323,603 | 441,208 |
| Steel products..... | 1,861,631 | 2,554,432 |
| Lumber, paint, and other maintenance equipment..... | 2,276,599 | 2,647,523 |
| Insecticides..... | 184,180 | 236,180 |
| Electrical equipment and appliances..... | 674,607 | 746,421 |
| Twine..... | 52,173 | 76,693 |
| Coal..... | 765,506 | 1,351,925 |
| Chicks, eggs, and turkey poults..... | 254,684 | 228,934 |
| Hog serum and virus..... | 216,641 | 233,079 |
| Miscellaneous..... | 680,317 | 741,038 |
| Total..... | \$35,590,000 | \$42,386,879 |

The association has moved steadily into the field of marketing in recent years. Its first venture was in March 1947 when the Poultry and Egg Department was started. In October 1947 the Indiana Wool Growers was merged with the association and in October 1949 the directors of the Indiana Grain Cooperative voted to merge with the association. As of January 1, 1950, the Indiana Grain Marketing Division of the association was serving 185 locally owned cooperative elevators in the State. 22/

21/ Many of these county cooperatives also render marketing services on grain, wool, poultry, eggs, and other products.

22/ While grain accounted for approximately 60 percent of total business during the past year, it seemed advisable to include this association in Part I of the handbook because of (1) the desirability of maintaining continuity of information on major supply operations in the country, and (2) the fact that by far the larger proportion of the association's facilities, capital, net savings, and personnel were accounted for by the supply business.

The sales value of farm products marketed by the association during 1949 and 1950 was as follows: 23/

| | <u>1949</u> | <u>1950</u> |
|------------------------|--------------------|---------------------|
| Grain <u>24/</u> | - | \$57,251,337 |
| Poultry..... | \$2,075,502 | 1,785,270 |
| Eggs..... | 1,250,705 | 1,089,584 |
| Total | <u>\$3,326,207</u> | <u>\$60,126,191</u> |

Net savings were distributed in the following manner:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|------------------------------------|--------------------|--------------------|
| Cash dividends on stock..... | \$584,183 | \$201,308 |
| Patronage refunds in stock..... | 942,197 | 2,041,047 |
| Amount retained in reserves..... | 235,549 | 874,734 |
| Total..... | <u>\$1,761,929</u> | <u>\$3,117,089</u> |

In March 1948 the association retired all common stock that has been issued up to January 1, 1942, under the revolving fund plan amounting to \$270,500 - \$268,400 in common voting stock and \$2,100 in non-voting stock. No redemptions were made in 1949 and 1950.

The financial condition of the Indiana Farm Bureau Cooperative Association, Inc., on December 31, 1949 and 1950, is shown in the following condensed financial statement:

| | <u>1949</u> | <u>1950</u> |
|--------------------------------------|---------------------|---------------------|
| Assets: | | |
| Current assets..... | \$11,142,892 | \$21,867,695 |
| Fixed assets (net)..... | 5,082,970 | 9,259,408 |
| Other assets..... | 5,794,294 | 6,789,358 |
| Total..... | <u>\$22,020,156</u> | <u>\$37,916,461</u> |
| Liabilities and net worth: | | |
| Current liabilities..... | \$2,664,510 | \$10,366,215 |
| Other liabilities..... | 1,406,234 | 1,127,113 |
| Net worth (capital and reserves).... | 17,949,412 | 26,423,133 |
| Total..... | <u>\$22,020,156</u> | <u>\$37,916,461</u> |

On December 31, 1950, the association reported that 81 percent of its net worth represented retained savings. The remaining 19 percent had been accumulated through the sale of stock.

23/ The wool department handled on a commission basis 701,418 pounds of wool during the 1949 season - approximately 32 percent of the total production in Indiana. In 1950 the volume handled was 897,113 pounds or 47 percent of the production in the State.

24/ In its fiscal year ending May 31, 1949, the Indiana Grain Cooperative marketed 33,200,000 bushels of grain with a value of \$64,530,000.

At the close of 1950, the principal wholesale purchasing and manufacturing facilities owned and operated included the following:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|-------------------------------------|--|-----------------------|------------------------------------|
| Fertilizer plants..... | 1 | \$1,136,026 | \$798,851 |
| Seed cleaning plants..... | 1 | 73,190 | 44,414 |
| Wholesale farm supply warehouses... | 1 | 440,041 | 391,631 |
| Petroleum refinery..... | 1 | 4,354,217 | 3,469,604 |
| Transport trucks..... | 25 | 285,092 | 89,328 |
| General delivery trucks..... | 21 | 58,760 | 28,498 |
| Barges..... | 2 | 60,367 | 32,574 |
| General office building..... | 1 | 313,796 | 299,594 |
| Oil well leases and equipment..... | | 1,473,597 | 846,545 |
| Total <u>25</u> /..... | | \$8,195,086 | \$6,001,039 |

In addition, investments of approximately \$2,776,000 in facilities were owned jointly with other cooperative associations.

On December 31, 1950, the Indiana Farm Bureau Cooperative Association had 999 employees. Of these, 219 were engaged in general administrative activities; 611 in manufacturing, warehousing, and processing operations; 8 in retail distribution; 112 in wholesale distribution; and 49 in marketing farm products.

FARMERS UNION CENTRAL EXCHANGE, INC.

The Farmers Union Central Exchange, Inc., with headquarters at St. Paul, Minn., was organized in 1931. At the end of December 1950, it was serving 455 active member associations with approximately 200,000 patrons, 90 percent of whom were farmers. It also was serving 375 non-member associations with 150,000 patrons, 80 percent of whom were farmers. The Exchange operates in North Dakota, South Dakota, Montana, Minnesota, Wisconsin, Idaho, and Wyoming.

25/ In addition, the following properties were included under "other assets":

(a) Crude oil pipelines and equipment operated by Farm Bureau Oil Co. - a subsidiary - which had a cost value of \$805,800 and a book value of \$437,133.

(b) Crude oil properties which had a cost value of \$4,446,311 and a book value of \$2,569,222.

(c) Lumber mill and timber holdings operated by Farm Bureau Lumber Corporation - a subsidiary - which had a cost value of \$502,342 and a book value of \$397,888.

The value of supplies distributed during 1949 and 1950 was as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|--|--------------|--------------|
| Feed..... | \$1,811,265 | \$2,135,602 |
| Seed..... | 460,763 | 713,876 |
| Fertilizer..... | 761,478 | 1,073,322 |
| Petroleum products..... | 24,530,640 | 25,510,206 |
| Tires, tubes, and other accessories..... | 1,990,050 | 3,215,993 |
| Farm machinery..... | 2,827,728 | 2,086,703 |
| Milking machines..... | 52,031 | 67,837 |
| Paint..... | 222,489 | 233,176 |
| Hardware and building material..... | 1,206,780 | 1,672,249 |
| Insecticides..... | - | 33,747 |
| Electrical equipment and appliances..... | 459,994 | 583,420 |
| Twine..... | 189,165 | 260,905 |
| Coal..... | 8,346 | - |
| Groceries..... | 56,475 | - |
| Agricultural chemicals..... | 309,421 | 267,539 |
| Miscellaneous..... | 102,984 | 141,890 |
| L.P. Gas equipment..... | - | 401,310 |
| Oil equipment..... | - | 376,210 |
| Total..... | \$34,989,609 | \$38,773,985 |

Net savings of the Exchange for the last 2 years were derived as follows:

| | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Manufacturing and wholesale purchasing operations..... | \$2,477,332 | \$3,415,141 |
| Net savings in form of stock and stock credits from other cooperatives..... | 380,918 | 589,204 |
| Total..... | \$2,858,250 | \$4,004,345 |

These net savings were distributed in the following manner:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Cash..... | \$3,677 | \$3,671 |
| Educational fund..... | 133,895 | 187,263 |
| Patronage refunds in capital stock..... | 1,863,204 | 3,195,399 |
| Amount retained in reserves..... | 714,562 | 417,795 |
| Employees' savings-sharing fund..... | 142,912 | 200,217 |
| Total..... | \$2,858,250 | \$4,004,345 |

All capital stock originally issued in payment of patronage refunds was retired through the year 1942.

The financial condition of the Farmers Union Central Exchange, Inc., on December 31, 1949 and 1950, is shown in the following condensed financial statement:

| | 1949 | 1950 |
|---------------------------------------|--------------|--------------|
| Assets: | | |
| Current assets..... | \$8,339,352 | \$10,918,522 |
| Fixed assets (net)..... | 2,429,383 | 2,917,282 |
| Other assets..... | 421,404 | 422,861 |
| Investments..... | 7,879,352 | 8,039,285 |
| Total..... | \$19,069,491 | \$22,297,950 |
| Liabilities and net worth: | | |
| Current liabilities..... | \$3,056,997 | \$3,705,061 |
| Non-current liabilities..... | 203,161 | - |
| Net Worth (capital and reserves)..... | 15,809,333 | 18,592,889 |
| Total..... | \$19,069,491 | \$22,297,950 |

Facilities owned and operated at the close of 1950 included:

| Type of facility | Number of plants or units | Cost value | Depre- ciated value |
|---|---------------------------------|---------------|---------------------------|
| Wholesale farm supply warehouse... | 5 | \$241,094 | \$175,413 |
| Oil blending plant and main build- ings..... | 10 | 1,139,469 | 960,604 |
| Oil blending equipment..... | | 103,655 | 46,135 |
| Auto and trucks..... | | 105,787 | 84,403 |
| Furnitures and fixtures..... | | 289,830 | 194,354 |
| Refinery property..... | 1 | 2,316,520 | 1,187,897 |
| Bottled gas plants and equipment.. | 9 | 276,184 | 236,089 |
| Other facilities..... | | 37,033 | 32,387 |
| Total..... | | \$4,509,872 | \$2,917,282 |

On December 31, 1950, the Farmers Union Central Exchange had 473 employees. Of these, 70 were engaged in general and administrative activities and 403 in manufacturing, warehousing, and processing operations.

THE FARM BUREAU COOPERATIVE ASSOCIATION, INC. (OHIO)

The Farm Bureau Cooperative Association, Inc., with headquarters at Columbus, Ohio, was organized in its present form on July 31, 1933. At the end of its operating year, December 31, 1950, it was serving 88 member associations with 218 distributing points in the State of Ohio. These cooperative outlets served 185,000 patrons, of whom 90 percent were farmers.

The value of supplies distributed during 1949 and 1950 is shown in the following summary:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|---|------------------------|------------------------|
| Feed..... | \$10,332,913 | \$11,456,423 |
| Fertilizer..... | 4,464,580 | 4,283,457 |
| Seed and seed potatoes..... | 1,879,144 | 1,778,877 |
| Gas, oil, and grease..... | 10,388,418 | 10,740,466 |
| Tires, tubes, and other accessories.... | 179,621 | 267,196 |
| Farm machinery..... | 2,281,056 | 2,356,210 |
| Farm equipment..... | 197,260 | 136,691 |
| Steel products..... | 1,090,810 | 1,361,009 |
| Lumber, paint and other maintenance equipment..... | 1,018,316 | 1,266,240 |
| Insecticides..... | 378,140 | 362,131 |
| Electrical equipment and appliances.... | 302,774 | 355,941 |
| Coal..... | 229,974 | 394,124 |
| Miscellaneous..... | 831,475 | 790,623 |
| Total <u>26/</u> | <u>27/\$33,574,481</u> | <u>28/\$35,550,388</u> |

The value of farm products marketed through The Farm Bureau Cooperative Association, Inc., amounted to the following:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|------------------|--------------|--------------|
| Grain..... | \$19,668,056 | \$16,115,918 |
| Eggs..... | 1,512,064 | 307,632 |
| Total..... | \$21,180,120 | \$16,423,550 |

These net savings were distributed in the following manner:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Cash dividends on stock..... | \$315,467 | \$331,402 |
| Cash patronage refunds..... | 6,411 | 7,784 |
| Patronage refunds in capital stock..... | 400,000 | 460,000 |
| Amount retained in reserves..... | 240,626 | 266,396 |
| Total..... | \$962,504 | \$1,065,582 |

Stock or certificates amounting to \$258,671, originally issued in payment of patronage refunds was retired during 1949 under revolving fund plans. The amount retired in 1950 was \$385,607.

26/ Home appliances and other consumer goods are handled by the Cooperative Wholesale Association, Columbus, Ohio. This is a separate organization managed and financed by The Farm Bureau Cooperative Association. Thirty-one of its 32 members are county Farm Bureau co-ops. Its sales totaled \$607,909 in 1949 and \$844,130 in 1950. Net savings were \$180 in 1949 and \$40,719 in 1950.

27/ Includes \$6,622 intercompany transactions.

28/ Includes \$62,952 intercompany transactions.

The financial condition of The Farm Bureau Cooperative Association, Inc., as of December 31, 1949 and 1950, is shown in the following condensed financial statement:

| | 1949 | 1950 |
|-------------------------------------|---------------------|---------------------|
| Assets: | | |
| Current assets..... | \$9,161,515 | \$12,155,943 |
| Fixed assets (net)..... | 2,302,821 | 3,498,713 |
| Other assets <u>29</u> /..... | 4,863,581 | 5,064,823 |
| Total..... | \$16,327,917 | \$20,719,479 |
| Liabilities and net worth: | | |
| Current liabilities..... | \$4,138,233 | \$6,711,111 |
| Other liabilities..... | 2,123,338 | 3,263,158 |
| Net worth (capital and reserves)..< | 10,066,346 | 10,745,210 |
| Total..... | \$16,327,917 | \$20,719,479 |

Forty-one percent of the net worth was accumulated through the sale of stock and 59 percent was built up by savings.

The Farm Bureau Cooperative Association owns a subsidiary - The Louisville Refining Company - which refines petroleum products and in turn owns a subsidiary - The Producers Pipeline Company - which produces and transports crude oil. Only the investments which The Farm Bureau Cooperative Association has in these subsidiaries is included in its balance sheet.

The principal operating facilities owned and operated by The Farm Bureau Cooperative Association, and its subsidiaries at the close of the 1950 fiscal year are as follows:

| Type of facility | Number of plants or units | Cost value | Depre- ciated value |
|--------------------------------------|---------------------------------|--------------------|---------------------------|
| Feed mills..... | 3 | \$891,447 | \$401,446 |
| Fertilizer plants..... | 5 | 767,451 | 395,458 |
| Wholesale farm supply warehouses.... | 5 | 325,362 | 216,117 |
| Transport trucks..... | 17 | 101,314 | 34,186 |
| Oil delivery trucks..... | 36 | 205,578 | 102,643 |
| Petroleum refinery..... | | 2,068,415 | 1,147,463 |
| Crude oil pipe line..... | | 858,183 | 267,349 |
| Crude oil properties..... | | 1,002,133 | 735,675 |
| Total..... | | \$6,219,883 | \$3,300,337 |

On December 31, 1950, The Farm Bureau Cooperative Association, Inc., had 582 employees. Of these, 273 were engaged in general and administrative activities; 169 in manufacturing, warehousing, and processing operations; 111 in wholesale distribution; and 29 in marketing farm products.

29/ Other assets include investments of \$1,729,860 in feed, fertilizer, petroleum processing, and other facilities jointly owned with other cooperative associations and \$3,047,913 in wholly-owned subsidiaries operating refining and pipe line facilities.

MIDLAND COOPERATIVE WHOLESALE

The Midland Cooperative Wholesale, with headquarters at Minneapolis, Minn., was organized on September 8, 1926. At the end of its operating year on December 31, 1950, it was serving 637 member associations with 250,000 patrons, 95 percent of whom were farmers. It was also serving 177 non-member associations with 15,000 patrons, 90 percent of whom were farmers. The association operates throughout Minnesota except for the northeastern quarter. It also operates throughout Wisconsin except for the extreme north, in northern Iowa, and in the extreme eastern parts of the Dakotas.

The value of supplies distributed by the Midland Cooperative Wholesale in 1949 and 1950 was as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|------------------------------------|--------------|--------------|
| Feed, flour, and middlings..... | \$2,653,614 | \$2,679,307 |
| Fertilizer..... | 1,504,182 | 1,767,969 |
| Seed..... | 1,151,677 | 1,308,820 |
| Petroleum products..... | 16,623,757 | 18,074,093 |
| Tires, tubes, and accessories..... | 985,028 | 1,586,738 |
| Farm machinery..... | 1,332,573 | 1,101,694 |
| Steel products..... | 357,741 | 506,772 |
| Paint and related products..... | 164,069 | 175,751 |
| Insecticides..... | 44,174 | 22,188 |
| Electrical equipment..... | 695,674 | 755,037 |
| Coal..... | 248,584 | 473,971 |
| Groceries and dry goods..... | 764,236 | 334,827 |
| Hardware and farm tools..... | 368,145 | 425,128 |
| Oil station equipment..... | 217,052 | 245,390 |
| Miscellaneous..... | 4,107 | 3,311 |
| Total..... | \$27,114,613 | \$29,460,996 |

A net loss of \$197,164 was reported on wholesale and manufacturing supply operations in 1949. Net savings, before income taxes, amounted to \$1,064,332 in 1950. These were distributed in the following manner:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Cash dividends on stock..... | - | \$239,898 |
| Patronage refunds in capital stock..... | - | 563,605 |
| Provision for income taxes..... | - | 192,428 |
| Amount retained in unallocated surplus..... | -\$197,164 | 68,401 |
| Total..... | -\$197,164 | \$1,064,332 |

The financial condition of the Midland Cooperative Wholesale as of December 31, 1949 and 1950, is shown in the following condensed financial statement:

| | <u>1949</u> | <u>1950</u> |
|---------------------------------------|---------------------|---------------------|
| Assets: | | |
| Current assets..... | \$6,038,593 | \$7,699,224 |
| Fixed assets (net)..... | 3,899,145 | 3,411,789 |
| Other assets..... | 5,887,620 | 6,045,798 |
| Total..... | <u>\$15,825,358</u> | <u>\$17,156,811</u> |
| Liabilities and net worth: | | |
| Current liabilities..... | \$4,816,309 | \$4,165,465 |
| Other liabilities..... | 1,936,700 | 3,233,507 |
| Net worth (capital and reserves)..... | 9,072,349 | 9,757,839 |
| Total..... | <u>\$15,825,358</u> | <u>\$17,156,811</u> |

On December 31, 1950, the Midland Cooperative Wholesale owned and operated the following principal facilities:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|---|--|-----------------------|------------------------------------|
| Crude oil properties..... | | \$3,030,061 | \$1,491,841 |
| Refinery (complete)..... | 1 | 2,008,934 | 1,332,946 |
| Oil blending plant and bulk petro- leum plants and warehouse | 2 | 654,577 | 481,082 |
| Transport trucks and trailers..... | | 9,246 | 1,566 |
| Other properties..... | | 214,985 | 104,354 |
| Total..... | | <u>\$5,917,803</u> | <u>\$3,411,789</u> |

Investments by Midland in other production and operating facilities owned jointly with other cooperatives were as follows at the end of 1950:

| <u>Type of facility</u> | <u>Amount invested</u> |
|--|----------------------------|
| Fertilizer, feed, and seed proc- essing..... | \$1,246,121 |
| Shingle mill and timber..... | 25,727 |
| Refineries and pipelines..... | 3,954,223 |
| Farm machinery factories..... | 203,589 |
| Soybean mill..... | 103,623 |
| Properties of National Cooperatives, Inc. (including milking machine factory)..... | 372,587 |
| Other investments..... | 42,211 |
| Total..... | <u>\$5,948,081</u> |

On December 31, 1950, the Midland Cooperative Wholesale had 424 employees. Of these, 170 were engaged in general and administrative activities; 172 in manufacturing, warehousing, and processing operations; and 82 in wholesale distribution.

FARMERS COOPERATIVE EXCHANGE, INC.

The Farmers Cooperative Exchange, Inc., known as FCX, with headquarters at Raleigh, N. C., was organized on March 12, 1934. 30/ It serves approximately 153,000 patrons in North and South Carolina, almost all of whom are farmers.

Supplies are distributed through 55 FCX centrally managed subsidiary retail service stores, 36 independent cooperative associations, and 175 private dealer agencies.

The value of supplies distributed at wholesale by the FCX through the outlets listed was as follows for the years ending June 30, 1949 and 1950:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|---|--------------|--------------|
| Feeds and grains..... | \$5,054,884 | \$5,987,275 |
| Fertilizer..... | 2,052,069 | 2,693,771 |
| Seeds..... | 2,060,720 | 3,181,264 |
| Steel, asphalt, and building materials..... | 2,561,069 | 1,680,256 |
| Paint supplies..... | 82,041 | 70,360 |
| Farm machinery..... | 885,571 | 1,125,755 |
| Electrical appliances..... | 414,388 | 735,426 |
| Oils, tires, and tubes..... | 52,394 | 56,958 |
| Sprays and dusts..... | 236,315 | 551,152 |
| Miscellaneous farm supplies..... | 600,827 | 670,092 |
| Total..... | \$14,000,278 | \$16,752,309 |

The value of supplies distributed at retail by FCX-managed retail outlets amounted to \$13,382,449 in 1949 and \$11,755,130 in 1950.

30/ The operations of FCX are closely related to the North Carolina Cotton Growers Cooperative Association. The same general manager serves both organizations. The cotton handled by the North Carolina Cotton Growers Association was valued at \$14,134,000 during the 1949 season and \$6,101,589 during the 1950 season. The association's net worth on June 30, 1949, was \$619,093 and on June 30, 1950, it was \$715,439.

The value of farm products marketed by FCX was as follows for 1949 and 1950:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|-----------------------|-------------|-------------|
| Grains.....) | \$1,074,676 | \$1,310,391 |
| Seeds.....) | | |
| Eggs and poultry..... | - | 390,248 |
| Livestock..... | 910,020 | 308,694 |
| Wool..... | - | 14,450 |
| Miscellaneous..... | - | 108,740 |
| Total..... | \$1,984,696 | \$2,132,523 |

Net savings of FCX amounted to \$380,763 for the year ending June 30, 1949, and \$503,589 for 1950.

These net savings were distributed in the following manner:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Cash dividends on stock..... | \$127,283 | \$165,113 |
| Cash patronage refunds..... | 12,353 | 10,944 |
| Patronage refunds in capital stock..... | 238,752 | 325,573 |
| Amount retained in reserves..... | 2,375 | 1,959 |
| Total..... | \$380,763 | \$503,589 |

Stock or certificates totaling \$7,971, originally issued as patronage refunds, were retired during the year under the revolving fund plan.

The financial condition of the FCX as of June 30, 1949 and 1950, is shown in the following condensed financial statement:

| | <u>1949</u> | <u>1950</u> |
|---------------------------------------|-------------|-------------|
| Assets: | | |
| Current assets..... | \$3,860,132 | \$4,526,723 |
| Fixed assets (net)..... | 1,507,320 | 1,697,746 |
| Other assets..... | 916,350 | 956,934 |
| Total..... | \$6,283,802 | \$7,181,403 |
| Liabilities and net worth: | | |
| Current liabilities..... | \$1,652,602 | \$1,485,859 |
| Other liabilities..... | 491,800 | 836,400 |
| Net worth (capital and reserves)..... | 4,139,400 | 4,859,144 |
| Total..... | \$6,283,802 | \$7,181,403 |

The number and value of facilities owned and operated by FCX and its affiliated service stores, and marketing unit on June 30, 1950, were as follows:

| Type of facility | Number of plants or units | Cost value <u>31/</u> | Depreciated value <u>31/</u> |
|-------------------------------------|---------------------------------|-----------------------------|------------------------------------|
| Wholesale farm supply warehouses... | 5 | | |
| Fertilizer mixing plant..... | 1 | | |
| Seed-cleaning plants..... | 20 | | |
| Retail farm supply stores..... | 55 | | |
| General delivery trucks..... | 120 | | |
| Office buildings..... | 1 | | |
| Miscellaneous..... | 2 | | |
| Total..... | | \$1,688,155 | \$1,465,909 |

In addition to these facilities, FCX and Southern States Cooperative, Inc., jointly own a cooperative feed mill at Statesville, N. C. They jointly manufacture feed in Norfolk and Roanoke, Va., and fertilizer in a cooperative fertilizer plant in Norfolk, Va. The FCX investment in these facilities on June 30, 1950, amounted to \$522,613.

On June 30, 1950, FCX had 625 employees. Of these, 100 were engaged in general administrative activities; 55 in manufacturing, warehousing, and processing operations; and 470 in retail distribution.

MFA MILLING COMPANY

The MFA Milling Company, with headquarters at Springfield, Mo., was organized in 1923 and reorganized on its present basis in 1929. At the end of its operating year on June 30, 1950, it was serving 117 local MFA farmers' cooperative exchanges with approximately 75,000 farmer-members. In addition, through arrangements with regional supply cooperatives in two States and through direct arrangements with locals in two other States, farmers obtain feed from MFA Milling Company at 125 local outlets in four additional States. The MFA Milling Company, the largest regional purchasing association affiliated with the Missouri Farmers Association, is owned by local MFA cooperatives in south Missouri. 32/

31/ Itemized amounts were not reported.

32/ In addition to the MFA Milling Company, 17 of the 35 major agencies affiliated with the MFA are engaged mainly in the wholesale purchasing and manufacturing of farm supplies. These 18 major agencies, including the MFA Milling Company, handled \$42,790,356 worth of farm supplies in the fiscal year ending in 1950, while 16 major agencies handled \$36,770,777 in the fiscal year ending in 1949. Feed supplies made up the major share of this volume, accounting for about 58 percent of the total. The next largest item was petroleum products which comprised about 14 percent of the total volume.

These 18 MFA affiliated major agencies had assets in 1950 of \$16,700,000 compared with liabilities of \$7,100,000 and a net worth of \$9,600,000.

Purchasing operations do not include data on 243 local MFA exchanges, as there is some duplication between their volume and that of the major agencies.

The local cooperatives, in turn, are owned by the MFA members which they serve. The MFA Milling Company is organized on a non-stock, non-profit plan, and is financed by patrons' equities. Half of the board of directors is named by the local cooperatives it serves, which constitute its class A membership, and the other half is named by the State Board of the Missouri Farmers Association, which constitutes its class B membership.

Supplies distributed by the MFA Milling Company were as follows during the years ending June 30, 1949 and 1950:

| <u>Commodity</u> | <u>33/1949</u> | <u>1950</u> |
|------------------|---------------------|---------------------|
| Feed..... | \$17,324,304 | \$20,359,398 |
| Seed..... | 663,024 | 820,519 |
| Wire..... | 305,708 | 139,659 |
| Twine..... | 47,240 | - |
| Paint..... | 29,518 | 19,859 |
| Total..... | <u>\$18,369,794</u> | <u>\$21,339,435</u> |

The total net savings for 1949 and 1950 were distributed as follows:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|------------------|--------------------|
| Patronage refunds in cash..... | \$750,000 | \$1,000,000 |
| Additions to membership equity reserves..... | 182,840 | 342,518 |
| Total..... | <u>\$932,840</u> | <u>\$1,342,518</u> |

The following condensed financial statement shows the financial condition of the MFA Milling Company on June 30, 1949 and 1950:

| | <u>1949</u> | <u>1950</u> |
|----------------------------|--------------------|--------------------|
| Assets: | | |
| Current assets..... | \$2,429,632 | \$2,701,701 |
| Fixed assets (net)..... | 761,490 | 1,086,770 |
| Other assets..... | 131,537 | 129,842 |
| Total..... | <u>\$3,322,659</u> | <u>\$3,918,313</u> |
| Liabilities and net worth: | | |
| Current liabilities..... | \$53,041 | \$50,111 |
| Other liabilities..... | 318,845 | 334,910 |
| Net worth..... | 2,950,773 | 3,533,292 |
| Total..... | <u>\$3,322,659</u> | <u>\$3,918,313</u> |

On June 30, 1950, the operating facilities of the MFA Milling Company consisted of the following:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|---|--|-----------------------|------------------------------------|
| Total value of mill buildings, machinery, and equipment..... | 2 | \$1,506,506 | \$1,054,620 |

The MFA Milling Company, in June 1950, had 317 employees, of whom 187 were at Springfield and 130 at Aurora. Of these, 30 were engaged in general administrative activities; 278 in manufacturing, warehousing, and processing operations; and 9 in field service work.

PENNSYLVANIA FARM BUREAU COOPERATIVE ASSOCIATION

The Pennsylvania Farm Bureau Cooperative Association, with headquarters at Harrisburg, Pa., was organized in 1934. At the close of 1950 it was serving 33 member associations operating on a county-wide basis with 70,000 patrons of whom 90 percent were farmers. Supplies are also distributed by 26 private dealer agents and 3 farmer fertilizer agents. Its total service area comprises 53 counties in the State of Pennsylvania.

Supplies were distributed for the years ending December 31, 1949 and 1950, as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|---|--------------|--------------|
| Feed..... | \$6,815,134 | \$7,292,737 |
| Fertilizer..... | 1,747,235 | 1,815,607 |
| Seed..... | 987,208 | 968,703 |
| Petroleum products..... | 5,332,855 | 5,749,082 |
| Tires, tubes, and other accessories..... | 195,672 | 270,665 |
| Farm machinery..... | 751,451 | 592,374 |
| Farm equipment..... | 638,229 | 639,275 |
| Steel products..... | 439,616 | 749,876 |
| Lumber, paint, and other maintenance equipment..... | 311,008 | 156,059 |
| Insecticides..... | 325,743 | 314,539 |
| Electrical equipment and appliances..... | 201,384 | 347,153 |
| Twine..... | 106,806 | 141,490 |
| Miscellaneous..... | 151,838 | 197,183 |
| Total..... | \$18,004,179 | \$19,234,743 |

Net savings, before income taxes, for the years ending December 31, 1949 and 1950, were derived as follows:

| <u>Source of net savings</u> | <u>1949</u> | <u>1950</u> |
|--|-------------|-------------|
| Manufacturing and wholesale purchasing operations..... | \$567,887 | \$710,916 |
| Other operations..... | 66,638 | 70,048 |
| Total..... | \$634,525 | \$780,964 |

These net savings were distributed in the following manner:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Cash dividends on stock..... | \$121,929 | \$139,366 |
| Patronage refunds in capital stock..... | 182,020 | 188,500 |
| Retained in reserves..... | 330,576 | 453,098 |
| Total..... | \$634,525 | \$780,964 |

The financial condition of the Pennsylvania Farm Bureau Cooperative Association on December 31, 1949 and 1950, is shown in the following condensed financial statement:

| | <u>1949</u> | <u>1950</u> |
|---------------------------------------|-------------|-------------|
| Assets: | | |
| Current assets..... | \$2,512,580 | \$2,968,697 |
| Fixed assets (net)..... | 972,117 | 1,132,132 |
| Other assets..... | 2,697,707 | 2,796,739 |
| Total..... | \$6,182,404 | \$6,897,568 |
| Liabilities and net worth: | | |
| Current liabilities..... | \$696,603 | \$725,637 |
| Other liabilities..... | 220,000 | 160,000 |
| Net worth (capital and reserves)..... | 5,265,801 | 6,011,931 |
| Total..... | \$6,182,404 | \$6,897,568 |

On December 31, 1950, the principal operating facilities of the Pennsylvania Farm Bureau Cooperative Association consisted of the following:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|-------------------------------------|--|-----------------------|------------------------------------|
| Feed mill..... | 1 | \$276,153 | \$190,272 |
| Seed cleaning plant..... | 1 | 150,658 | 114,264 |
| Wholesale farm supply warehouse.... | 2 | 278,120 | 229,879 |
| Office building..... | 1 | 291,565 | 242,791 |
| Transport trucks..... | 17 | 89,822 | 46,315 |
| Dust plant..... | 1 | 16,479 | 6,925 |
| Hatchery..... | 3 | 155,903 | 137,101 |
| Poultry breeding farm..... | 1 | 78,458 | 69,220 |
| Total..... | | \$1,337,158 | \$1,036,767 |

In addition, the association held investments of \$2,630,084 in facilities jointly owned with other cooperatives.

On December 31, 1950, the Pennsylvania Farm Bureau Cooperative Association had 265 employees. Of these, 132 were engaged in general and administrative activities; 99 in manufacturing, warehousing, and processing operations; and 34 in wholesale distribution.

FRUIT GROWERS SUPPLY COMPANY

Fruit Growers Supply Company, Los Angeles, Calif., organized in October 1907, is the oldest major farmers' purchasing association. It serves 170 member citrus fruit packing associations with 14,000 farmer-members who are located in the citrus districts of California and Arizona. Although separately incorporated and managed, it is in fact the supply department for California Fruit Growers Exchange members.

The value of supplies distributed by the Fruit Growers Supply Company during 1949 and 1950 was as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|--|--------------|--------------|
| Box shock, tissue paper wraps, and other packing supplies..... | \$12,560,582 | \$15,380,665 |
| Fertilizer..... | 2,340,178 | 1,489,349 |
| Insecticides..... | 484,639 | 439,927 |
| Miscellaneous orchard supplies..... | 1,137,358 | 689,242 |
| Total..... | \$16,522,757 | \$17,999,183 |

The total patronage refunds on these sales amounted to \$1,486,750 in 1949 and \$2,027,014 in 1950. All refunds were distributed in cash.

The ownership of the company by the local fruit-shipping organizations which it serves, is kept in proportion to their use of the company facilities by means of a revolving fund agreement under which shippers purchase, on the basis of current fruit shipments, shares of the capital stock of the company and the same amount of the oldest outstanding stock is called in. Additional capital is now being raised under an agreement which calls for each shipper to purchase additional stock in amount equal to 2 cents for each packed box of fruit shipped by it.

The financial condition of Fruit Growers Supply Company on December 31, 1949 and 1950, is shown in the following condensed financial statement:

| | <u>1949</u> | <u>1950</u> |
|---------------------------------------|--------------|--------------|
| Assets: | | |
| Current assets..... | \$8,583,682 | \$9,155,528 |
| Fixed assets (net)..... | 11,967,931 | 12,044,520 |
| Other assets..... | 567,938 | 478,937 |
| Total..... | \$21,119,551 | \$21,678,985 |
| Liabilities and net worth: | | |
| Current liabilities..... | \$6,666,715 | \$6,057,645 |
| Other liabilities..... | 7,418,541 | 7,491,600 |
| Net worth (capital and reserves)..... | 7,034,295 | 8,129,740 |
| Total..... | \$21,119,551 | \$21,678,985 |

Fruit Growers Supply Company owns and operates three lumber and box shooK manufacturing plants and several thousand acres of timberland.

On December 31, 1950, Fruit Growers Supply Company had 2,077 employees. Of these, 60 were engaged in general and administrative activities and 2,017 in logging and manufacturing operations.

FARM BUREAU SERVICES, INC.

Farm Bureau Services, Inc., with headquarters at Lansing, Mich., was organized on October 25, 1929, to provide a cooperative wholesale farm supply service for farmers' cooperatives in Michigan. At the end of its fiscal year on August 31, 1950, this organization provided supply service for some 100,000 patrons through 154 member associations ^{34/} 30 non-member associations, 12 branch retail outlets, and 180 private dealer outlets. Farmers represented approximately 85 percent of the patrons of these retail outlets.

The value of supplies distributed for the fiscal years ending August 31, 1949 and 1950, was as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|--|--------------|--------------|
| Feed..... | \$2,817,188 | \$3,115,083 |
| Fertilizer..... | 2,195,960 | 2,864,676 |
| Seed..... | 1,192,685 | 1,285,666 |
| Petroleum products ^{35/}) | 893,338 | - |
| Tires, tubes, and accessories.....) | 996,637 | 988,159 |
| Steel products..... | 101,684 | 140,106 |
| Lumber, paint, and other maintenance equipment..... | 405,933 | 386,918 |
| Insecticides..... | 2,453,450 | 1,872,290 |
| Machinery, electrical equipment and appliances, and twine..... | 151,434 | 193,200 |
| Coal..... | | |
| Total..... | \$11,208,309 | \$10,846,098 |

In addition to the wholesale supply operations, the retail value of supplies distributed directly to individuals through branch retail outlets owned by the association amounted to \$4,840,224 in 1949, and \$5,212,339 in 1950.

^{34/} Fifteen of the member associations were managed by Farm Bureau Services, Inc., under the management contracts.

^{35/} Beginning January 1, 1949, the distribution of petroleum products was handled through a separate corporation, the Farmers Petroleum Cooperative, Inc. Its volume of business for the 8 months ended August 31, 1949, amounted to \$1,796,552 and net savings were \$23,212. Its volume for the year ending August 31, 1950, was \$3,064,967 and net savings totaled \$79,720.

The value of supplies distributed at wholesale include the value of supplies purchased for branch retail outlets amounting to \$3,189,000 in 1949, and \$3,495,000 in 1950.

While Farm Bureau Services, Inc., is primarily a cooperative purchasing association, the value of farm products marketed during the years ending August 31, 1949 and 1950, was reported as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|-----------------------|-------------|-------------|
| Grain..... | \$1,030,295 | \$1,157,464 |
| Beans..... | 473,277 | 788,515 |
| Eggs and poultry..... | 131,975 | 96,781 |
| Fruit..... | 10,581 | 7,076 |
| Total..... | \$1,646,128 | \$2,049,836 |

The total net savings of the organization for the fiscal years 1949 and 1950, were as follows:

| <u>Source of net savings</u> | <u>1949</u> | <u>1950</u> |
|--|-------------|-------------|
| Wholesale supply business (including manufacturing margins)..... | \$169,682 | \$255,729 |
| Retail supply business..... | 10,679 | 45,328 |
| Farm marketings..... | 1,962 | 7,021 |
| Total..... | \$182,323 | \$308,078 |

These savings were distributed as follows:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Cash dividends on stock..... | \$31,614 | \$37,247 |
| Patronage refunds in capital stock..... | 147,269 | 262,855 |
| Addition to reserve fund..... | 3,440 | 7,976 |
| Total..... | \$182,323 | \$308,078 |

The financial condition of Farm Bureau Services, Inc., as of August 31, 1949 and 1950, is shown by the following condensed financial statements:

| | <u>1949</u> | <u>1950</u> |
|-------------------------------|-------------|-------------|
| Assets: | | |
| Current assets..... | \$3,177,377 | \$3,332,612 |
| Fixed assets (net)..... | 2,134,719 | 2,124,468 |
| Other assets <u>36/</u> | 712,007 | 812,040 |
| Total..... | \$6,024,103 | \$6,269,120 |

Liabilities and net worth:

| | | |
|---------------------------------------|-------------|-------------|
| Current liabilities..... | \$1,311,239 | \$1,429,187 |
| Fixed indebtedness <u>37/</u> | 2,983,060 | 2,839,690 |
| Net worth (capital and reserves)..... | 1,729,804 | 2,000,243 |
| Total..... | \$6,024,103 | \$6,269,120 |

36/ Mainly investments in regional cooperatives.

| | | |
|---|-------------|-------------|
| <u>37/</u> Includes liability on debentures as follows: | <u>1949</u> | <u>1950</u> |
| 4% - 10 year debentures..... | \$1,183,140 | \$1,242,950 |
| 3% - 15 year debentures..... | 609,220 | 604,840 |
| | \$1,792,360 | \$1,847,790 |

The value of the principal operating facilities owned on August 31, 1950, was as follows:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|--|--|-----------------------|------------------------------------|
| Wholesale farm supply warehouse <u>38/</u> . | 6 | \$413,148 | \$369,889 |
| Seed cleaning plant..... | 1 | 57,708 | 35,364 |
| Retail farm supply branches..... | 12 | 524,897 | 395,440 |
| Wholesale and retail farm equipment branches..... | 3 | 60,320 | 53,202 |
| General delivery truck and cars..... | 41 | 70,599 | 23,675 |
| Bulk petroleum plants <u>39/</u> | 1 | 8,062 | 3,589 |
| Office equipment..... | | 116,940 | 77,059 |
| Transportation department trucks and trailers, tractor-trailers units.. | 8 | 59,453 | 27,824 |
| Temporary office building..... | 2 | 20,857 | 9,157 |
| Bulk petroleum plants..... | 2 | 15,391 | 7,709 |
| Dust mixing plant..... | 1 | 29,635 | 24,180 |
| Fertilizer manufacturing plant..... | 1 | 1,255,630 | 1,097,380 |
| Total..... | | \$2,632,640 | \$2,124,468 |

In addition, Farm Bureau Services had \$619,034 invested in jointly owned federations of regional cooperatives which operated various manufacturing facilities.

At the end of its fiscal year on August 31, 1950, Farm Bureau Services, Inc., had 366 employees - 54 in general administrative activities, 108 in manufacturing, processing, and wholesale distribution, 161 in retailing and marketing, and 43 in contractual services for the affiliated Michigan Farm Bureau.

PACIFIC SUPPLY COOPERATIVE

The Pacific Supply Cooperative, with headquarters at Walla Walla, Wash., was organized December 19, 1933. At the close of its operating year, June 30, 1950, it was serving 130 member associations in Oregon, Washington, Idaho, and northwest Wyoming. Patrons numbered 60,000 and 95 percent were farmers. It also served 50 non-member associations with 15,000 patrons, of whom 60 percent were farmers.

38/ Five of these units are combination wholesale and retail units. Cost and depreciated value have been divided according to use.

39/ Leased to local association managed by Farm Bureau Services, Inc.

Supplies distributed during the fiscal years ending June 30, 1949 and 1950, were as follows:

| <u>Commodity</u> | <u>40/ 1949</u> | <u>1950</u> |
|--|---------------------|---------------------|
| Fertilizer..... | \$906,218 | \$1,185,764 |
| Feed and grain..... | 1,293,073 | 1,000,348 |
| Seed..... | 64,986 | 112,459 |
| Gas, oil, grease, and fuel oil..... | 8,935,629 | 9,807,248 |
| Tires, tubes, and other accessories... | 470,646 | 540,489 |
| Farm machinery and parts..... | 860,442 | 551,693 |
| Lumber, paint, steel products, and other maintenance equipment..... | 725,591 | 722,799 |
| Insecticides and sulphur..... | 432,872 | 433,963 |
| Electrical equipment and appliances... | 226,461 | 144,484 |
| Hardware and twine..... | 231,052 | 218,350 |
| Farm appliances and irrigation supplies..... | 419,310 | 574,707 |
| Miscellaneous supplies and service revenues..... | 248,682 | 229,861 |
| Total..... | <u>\$14,814,962</u> | <u>\$15,522,165</u> |

The value of farm products marketed by Pacific Supply Cooperative in 1949 and 1950 was as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|------------------|--------------------|--------------------|
| Seed..... | \$1,562,899 | \$1,881,159 |
| Grain..... | 605,917 | 2,121,292 |
| Potatoes..... | 510,385 | 340,065 |
| Total..... | <u>\$2,679,201</u> | <u>\$4,342,516</u> |

Total net savings amounted to \$584,814 in 1949 and \$505,979 in 1950.

These net savings were distributed in the following manner:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|------------------|------------------|
| Patronage refunds in certificates of indebtedness..... | \$540,953 | \$493,329 |
| Amount retained in reserves..... | 43,861 | 12,650 |
| Total..... | <u>\$584,814</u> | <u>\$505,979</u> |

The association reports that \$101,090 in stock or certificates originally issued as patronage refunds were retired in 1949 under its revolving fund plan. In 1950 the amount retired was \$213,328.

40/ Revised.

The financial condition of the Pacific Supply Cooperative on June 30, 1949 and 1950, is shown in the following condensed financial statement:

| | <u>1949</u> | <u>1950</u> |
|--------------------------------------|--------------------|--------------------|
| Assets: | | |
| Current assets..... | \$4,314,501 | \$4,571,118 |
| Fixed assets (net)..... | 1,187,052 | 921,543 |
| Other assets and investments..... | 574,641 | 1,030,642 |
| Total..... | <u>\$6,076,194</u> | <u>\$6,523,303</u> |
| Liabilities and net worth: | | |
| Current liabilities..... | \$1,439,856 | \$1,589,130 |
| Other liabilities..... | 112,539 | 55,769 |
| Net worth (capital and reserves).... | 4,523,799 | 4,878,404 |
| Total..... | <u>\$6,076,194</u> | <u>\$6,523,303</u> |

On June 30, 1950, the Pacific Supply Cooperative owned and operated the following principal facilities:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|--------------------------------------|--|-----------------------|------------------------------------|
| Wholesale farm supply warehouses.... | 4 | \$194,495 | \$139,820 |
| Seed and feed plants..... | 6 | 550,856 | 371,935 |
| Chemical and fertilizer plants..... | 3 | 251,900 | 196,448 |
| Transport trucks..... | 13 | 286,595 | 126,218 |
| Office..... | 1 | 92,567 | 51,445 |
| Total..... | | <u>\$1,376,413</u> | <u>\$885,866</u> |

In addition, the association held investments of \$354,006 in facilities owned jointly with other cooperative associations.

On June 30, 1950, the Pacific Supply Cooperative had 238 employees. Of these, 86 were engaged in general administrative activities; 148 in manufacturing, warehousing, and processing operations; and 4 in marketing farm products.

CENTRAL CO-OPERATIVE WHOLESALE

The Central Co-operative Wholesale - C.C.W. - with headquarters at Superior, Wis., was organized on September 16, 1917. At the close of its operating year on December 31, 1950, it was serving 202 member and 55 non-member cooperatives in northern parts of Michigan, Wisconsin, Minnesota, and in eastern North Dakota. These cooperative outlets served approximately 100,000 patrons, 75 percent of whom were farmers.

The value of supplies distributed during 1949 and 1950 was as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|---|--------------|--------------|
| Feed, fertilizer, and seeds..... | \$2,357,915 | \$2,745,328 |
| Petroleum products..... | 1,405,642 | 1,590,006 |
| Tires, tubes, and other accessories..... | 218,917 | 307,449 |
| Steel products..... | 137,892 | 181,298 |
| Lumber, paints, and other maintenance equipment..... | 430,998 | 357,878 |
| Insecticides..... | 20,239 | 52,282 |
| Electrical equipment and appliances..... | 367,125 | 403,915 |
| Farm machinery..... | 621,516 | 251,877 |
| Hardware..... | 226,741 | 229,184 |
| Twine..... | 23,823 | 30,756 |
| Coal..... | 133,822 | 125,782 |
| Groceries..... | 2,849,241 | 2,733,673 |
| Fresh fruits and vegetables..... | 338,936 | 318,863 |
| Bakery products..... | 340,960 | 319,070 |
| Coffee..... | 366,129 | 426,928 |
| Clothing..... | 535,491 | 642,295 |
| Total..... | \$10,375,387 | \$10,716,584 |

The total net savings, before income taxes, on manufacturing and whole-sale purchasing operations amounted to \$36,653 in 1949, and \$199,929 in 1950. These savings were distributed as follows:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|--|-------------|-------------|
| Unallocated surplus..... | - | \$2,275 |
| Patronage refunds paid in capital stock shares..... | - | 151,954 |
| Interest on capital stock..... | \$30,000 | 32,000 |
| Provision for Federal income tax..... | 6,653 | 13,700 |
| Total..... | \$36,653 | \$199,929 |

The financial condition of C.C.W. on December 31, 1949 and 1950, is shown in the following statement:

| | <u>1949</u> | <u>1950</u> |
|---------------------------------------|-------------|-------------|
| Assets: | | |
| Current assets..... | \$2,075,624 | \$2,067,745 |
| Fixed assets (net)..... | 539,828 | 522,402 |
| Other assets..... | 1,140,782 | 1,217,253 |
| Total..... | \$3,756,234 | \$3,807,400 |
| Liabilities and net worth: | | |
| Current liabilities..... | \$902,049 | \$734,226 |
| Long-term notes..... | 363,320 | 388,720 |
| Net worth (capital and reserves)..... | 2,490,865 | 2,684,454 |
| Total..... | \$3,756,234 | \$3,807,400 |

On December 31, 1950, the principal operating facilities owned and operated by the C.C.M. consisted of the following:

| <u>Type of facility</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|---|-----------------------|------------------------------------|
| Land..... | \$33,280 | \$33,280 |
| Warehouse and offices (buildings and equipment)..... | 423,211 | 306,485 |
| Bakery (building and equipment)..... | 72,975 | 26,731 |
| Coffee roasting plant (equipment)..... | 12,461 | 907 |
| Feed mill (building and equipment).... | 151,832 | 79,720 |
| Garage and delivery equipment..... | 163,548 | 58,870 |
| Oil plant building..... | 6,510 | 3,315 |
| Publishing building..... | 23,505 | 11,758 |
| Other..... | 3,340 | 1,336 |
| Total..... | \$890,662 | \$522,402 |

In addition to these facilities, C.C.W. had \$1,180,262 invested in jointly-owned federations of regionals which operated various manufacturing facilities.

On December 31, 1950, the C.C.W. had 218 employees. Of these, 108 were engaged in general and administrative activities, and 100 in manufacturing, warehousing, and processing operations.

CONSUMERS COOPERATIVES ASSOCIATED

Consumers Cooperatives Associated, with headquarters at Amarillo, Tex., was organized in 1930. On October 31, 1950, it was serving 336 associations with approximately 150,000 patrons, 91 percent of whom were farmers. The association operates in Texas, New Mexico, Arkansas, Louisiana, Mississippi, the southeastern part of Colorado, and the southeastern and southern parts of Oklahoma.

The subsidiaries of Consumers Cooperatives Associated are the Consumers Cooperative Refinery Association which operates a refinery at Levelland, Tex., and the Cooperative Producing Association of New Mexico which engages in the production of crude oil in the vicinity of Cap Rock, N. Mex.

Supplies distributed by the association and its subsidiaries during its last two fiscal years ended on October 31 were as follows:

| <u>Commodity</u> | <u>41/ 1949</u> | <u>1950</u> |
|-------------------------------------|-----------------|-------------|
| Lights fuels..... | \$5,888,271 | \$5,522,936 |
| Lubricating oils..... | 210,601 | 246,443 |
| Anti-freeze..... | 25,223 | 25,670 |
| Grease..... | 40,131 | 35,829 |
| Tires and tubes..... | 392,371 | 395,186 |
| Batteries..... | 57,048 | 49,982 |
| Auto accessories..... | 55,390 | 49,395 |
| Appliances..... | 196,904 | 119,716 |
| Hardware and building supplies..... | 273,274 | 315,712 |
| Farm machinery..... | 744,031 | 211,932 |
| Feed..... | 200,000 | |
| Seed..... | 324,735 | (326,878 |
| Insecticides..... | 145,360 | (1,803,425 |
| Fertilizer..... | 1,793,004 | |
| Groceries and miscellaneous | 19,405 | 12,755 |
| Total..... | \$10,365,748 | \$9,115,859 |

Grain marketed by the association totaled \$312,085 in 1949, and \$193,294 in 1950.

Net savings or loss of Consumers Cooperatives Associated for the fiscal years ending October 31, 1949 and 1950, were derived as follows:

| <u>Source of net savings or loss</u> | <u>1949</u> | <u>1950</u> |
|--|-------------|-------------|
| Manufacturing and wholesale purchasing operations..... | 42/ | -\$65,962 |
| Marketing operations..... | 42/ | -661 |
| Other operations..... | 42/ | -42,588 |
| Total..... | -\$349,320 | -\$109,211 |

The total net loss on operations amounted to \$349,320 in 1949, and \$109,211 in 1950. These were distributed in the following manner:

| <u>Distribution</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Cash dividends on stock..... | \$15,904 | - |
| Retained in reserves..... | -421,645 | -\$109,211 |
| Patronage refunds paid in capital stock and equities..... | 56,421 | - |
| Total..... | -\$349,320 | -\$109,211 |

41/ Revised.

42/ Not reported.

The financial condition of Consumers Cooperatives Associated and its subsidiaries as of October 31, 1949 and 1950, is shown by the following consolidated financial statement:

| | <u>1949</u> | <u>1950</u> |
|----------------------------|--------------------|--------------------|
| Assets: | | |
| Current assets..... | \$2,484,007 | \$2,482,242 |
| Fixed assets (net)..... | 1,625,203 | 1,427,074 |
| Other assets..... | 619,764 | 535,145 |
| Total..... | <u>\$4,728,974</u> | <u>\$4,444,461</u> |
| Liabilities and net worth: | | |
| Current liabilities..... | \$2,086,344 | \$1,393,874 |
| Other liabilities..... | 464,987 | 950,720 |
| Net worth..... | 2,177,643 | 2,099,867 |
| Total..... | <u>\$4,728,974</u> | <u>\$4,444,461</u> |

On October 31, 1950, the principal operating facilities of the association and its subsidiaries were as follows:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|-------------------------------------|--|-----------------------|------------------------------------|
| Branch warehouses..... | 5 | \$132,193 | <u>43/</u> |
| Grain drying plant..... | 1 | 79,216) | <u>43/</u> |
| Feed mill..... | 1 | | |
| Petroleum refinery..... | 1 | 1,086,918 | \$729,884 |
| Crude oil producing properties..... | | 1,210,266 | 546,489 |
| Refined fuels terminal..... | 1 | 38,500 | <u>43/</u> |
| Fertilizer plant..... | 1 | 300,297 | <u>43/</u> |
| Transports..... | 1 | 175,000 | 424,195 |
| Total..... | | <u>\$3,022,390</u> | <u>\$1,700,568</u> |

Branch warehouses of the association are located at Abilene, Dallas, Elroy, and Levelland, Tex.; and Little Rock, Ark. A grain-drying plant and a feed mill are operated in connection with the Elroy warehouse. The refined fuels terminal is at Dumas, Tex. The association's Red Star Fertilizer Plant is at Sulphur Springs, Tex. CCA's subsidiaries have a refinery at Levelland, Tex., and crude oil properties near Cap Rock, N. Mex.

In addition, CCA had \$111,700 invested in jointly owned federations of regional cooperatives which operated various manufacturing and wholesaling facilities.

43/ Depreciation not specifically applied.

On October 31, 1950, the association had 120 employees. ^{44/} Of these, 33 were engaged in general administrative activities; 79 in manufacturing, warehousing, and processing operations; and 8 in marketing farm products.

ARKANSAS FARMERS ASSOCIATION

The Arkansas Farmers Association, formerly the Arkansas Farm Bureau Cooperative, with headquarters at Little Rock, Ark., was organized in 1945. The association, either through ⁴⁵ member local associations, 6 branches of local associations, 9 non-member service companies, 305 Farm Bureau purchasing committees or dealer agents, serves approximately 50,000 farmers.

The value of supplies distributed at wholesale during 1949 and 1950 was as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|--------------------|-------------|-------------|
| Feed..... | \$2,565,784 | \$4,271,154 |
| Seed..... | 132,559 | 292,546 |
| Farm supplies..... | 198,452 | 343,961 |
| Fertilizer..... | 307,804 | 1,942,300 |
| Baby chicks..... | 235,653 | 378,815 |
| Total..... | \$3,440,252 | \$7,228,776 |

The distribution of net savings was reported as follows:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|--|-------------|------------------|
| Dividends on preferred stock..... | \$2,483 | \$1,234 |
| Bad debts charged to patrons' equity.. | 1,862 | - |
| Educational fund (newspaper)..... | 7,510 | 3,106 |
| Patrons' certificates of equity..... | 110,747 | 43,739 |
| Amount retained in reserves..... | 13,000 | <u>45/83,064</u> |
| Total..... | \$135,602 | \$131,143 |

^{44/} Employees of subsidiaries not included.

^{45/} Includes \$69,064 of undistributed net savings. Savings in the form of deferred patronage credit from other cooperatives also amounted to \$69,667 in 1949 and \$168,435.99 in 1950.

The financial condition of the Arkansas Farmers Association on December 31, 1949 and 1950, is shown in the following condensed financial statement:

| | <u>1949</u> | <u>1950</u> |
|---------------------------------------|------------------|------------------|
| Assets: | | |
| Current assets..... | \$234,226 | \$412,363 |
| Fixed assets (net)..... | 47,946 | 103,899 |
| Other assets..... | 121,803 | 301,076 |
| Investments..... | 35,800 | 39,800 |
| Total..... | <u>\$439,775</u> | <u>\$857,138</u> |
| Liabilities and net worth: | | |
| Current liabilities..... | \$183,408 | \$261,209 |
| Other liabilities..... | 23,595 | 37,684 |
| Net worth (capital and reserves)..... | 232,772 | 558,245 |
| Total..... | <u>\$439,775</u> | <u>\$857,138</u> |

Facilities owned and operated at the close of 1950 included:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Deprè- ciated value</u> |
|--|--|-----------------------|------------------------------------|
| Wholesale farm supply warehouse <u>46/</u> | 1 | \$37,236 | \$37,236 |
| Hatcheries..... | 4 | 52,259 | 43,771 |
| Auto and trucks..... | | 12,230 | 7,310 |
| Leasehold improvements..... | | 1,205 | 172 |
| Furniture and fixtures..... | | 13,014 | 10,794 |
| Construction in process (new office)..... | | 4,616 | 4,616 |
| Total..... | | <u>\$120,560</u> | <u>\$103,899</u> |

In addition, the Arkansas Farmers Association is the sole sales agent for the Arkansas Farmers Plant Food Company. This latter firm has a fertilizer plant costing approximately \$600,000 which is located in North Little Rock.

On December 31, 1950, the Arkansas Farmers Association had 55 employees, of whom 9 were classed as administrative, 10 as supervisory, 32 as clerical, and 4 as laborers.

46/ Construction completed in December.

FARMERS UNION STATE EXCHANGE

The Farmers Union State Exchange, with headquarters at Omaha, Nebr., was organized in 1914. On September 30, 1950, it was serving 345 member associations with 65,000 patrons, of whom 98 percent were farmers. Through 20 private dealers it reached an additional 3,500 patrons, of whom 90 percent were farmers. The association also owned and operated 6 retail farm supply stores and 3 retail bulk petroleum plants which serve 1,900 patrons, 98 percent of whom were farmers. The Exchange operates in the State of Nebraska.

Supplies distributed at wholesale during fiscal years ended on September 30, 1949 and 1950, were as follows:

| <u>Commodity</u> | <u>47/ 1949</u> | <u>1950</u> |
|--|-----------------|-------------|
| Feed..... | \$135,422 | \$131,502 |
| Seed..... | 75,011 | 78,367 |
| Gas, oil, and grease..... | 2,625,396 | 3,186,668 |
| Tires, tubes, and other accessories... | 116,712 | 195,251 |
| Farm machinery and hardware..... | } 1,168,101 | 734,670 |
| Farm equipment and fencing..... | | 303,802 |
| Paint..... | 34,628 | 47,437 |
| Twine..... | 63,794 | 46,930 |
| Coal..... | 66,371 | 101,897 |
| Groceries..... | 226,611 | 304,885 |
| Clothing..... | 52,020 | 42,787 |
| Produce..... | 43,058 | - |
| Roofing..... | 28,873 | 98,823 |
| Miscellaneous..... | 3,253 | 4,196 |
| Total..... | \$4,638,890 | \$5,277,215 |

The Farmers Union State Exchange also had retail sales of \$1,346,549 in 1949 and \$1,488,892 in 1950.

Net savings were distributed in the following manner:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|---|-------------|-------------|
| Cash dividends on stock..... | \$20,691 | \$21,807 |
| Cash patronage refunds..... | 20,669 | - |
| Patronage refunds paid in capital stock..... | 39,100 | - |
| Patronage refunds allocated..... | 227,174 | 130,814 |
| Amount credited to surplus reserve fund..... | 34,181 | 16,957 |
| Total..... | \$341,815 | \$169,578 |

47/ Nine months because business year was changed from calendar year to fiscal year ending September 30.

The financial condition of the Farmers Union State Exchange on September 30, 1949 and 1950, is shown in the following condensed statement:

| | <u>1949</u> | <u>1950</u> |
|---------------------------------------|-------------|-------------|
| Assets: | | |
| Current assets..... | \$1,400,789 | \$1,511,387 |
| Fixed assets (net)..... | 374,574 | 351,138 |
| Other assets..... | 1,237,816 | 1,264,753 |
| Total..... | \$3,013,179 | \$3,127,278 |
| Liabilities and net worth: | | |
| Current liabilities..... | \$779,368 | \$723,143 |
| Other liabilities..... | 320,217 | 477,725 |
| Net worth (capital and reserves)..... | 1,913,594 | 1,926,410 |
| Total..... | \$3,013,179 | \$3,127,278 |

On September 30, 1950, the principal operating facilities of the association were as follows:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|-------------------------------------|--|-----------------------|------------------------------------|
| Retail farm supply stores..... | 3 | \$95,203 | \$70,036 |
| Bulk petroleum plants..... | 2 | 7,612 | 1,744 |
| Office building and warehouse..... | 1 | 157,963 | 80,884 |
| Lubricating oil compounding plant.. | 1 | 180,000 | 136,667 |
| Transport trucks..... | 4 | 46,069 | 27,736 |
| General delivery trucks..... | 4 | 12,740 | 357 |
| Locker plant..... | 1 | 9,309 | 3,348 |
| Other - truck garages..... | 2 | 9,590 | 1,593 |
| Total..... | | \$518,486 | \$322,365 |

In addition to these facilities, Farmers Union State Exchange had \$1,259,266 invested in jointly-owned federations of regionals which operated various manufacturing and wholesaling facilities.

At the close of 1950, the Exchange had 191 employees.

TENNESSEE FARMERS COOPERATIVE

The Tennessee Farmers Cooperative was organized September 27, 1945, with headquarters in Nashville, Tenn. At the end of the operating year, December 31, 1950, it was serving 78 county cooperatives in Tennessee, of whom 68 were members. These associations served about 70,000 farmers.

The value of supplies distributed by the Tennessee Farmers Cooperative during the fiscal years ending December 31, 1949 and 1950, were as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|------------------------|-------------|-------------|
| Fertilizer..... | \$1,504,939 | \$2,389,801 |
| Feed..... | 832,661 | 1,438,681 |
| Seed..... | 548,032 | 871,624 |
| Building supplies..... | 200,781 | 491,819 |
| Petroleum..... | 57,389 | 207,762 |
| Other..... | 62,522 | 112,085 |
| Total..... | \$3,206,324 | \$5,511,772 |

The total net savings on all operations amounted to \$50,882 in 1949, and \$111,739 in 1950. Savings were distributed in the following manner:

| <u>Distribution of net savings</u> | <u>1949</u> | <u>1950</u> |
|------------------------------------|-------------|-------------|
| Interest on stock..... | \$5,757 | \$10,819 |
| Patronage refunds in cash..... | 7,979 | 16,971 |
| Reserve..... | 37,146 | 83,949 |
| Total..... | \$50,882 | \$111,739 |

The financial condition of Tennessee Farmers Cooperative on December 31, 1949 and 1950, is shown in the following condensed financial statement:

| | <u>1949</u> | <u>1950</u> |
|--------------------------------------|-------------|-------------|
| Assets: | | |
| Current assets..... | \$262,278 | \$488,706 |
| Fixed assets..... | 35,661 | 266,242 |
| Other assets..... | 64,131 | 113,920 |
| Total..... | \$362,070 | \$868,868 |
| Liabilities and net worth: | | |
| Current liabilities..... | \$173,727 | \$405,734 |
| Other liabilities..... | - | 290 |
| Net worth (capital and reserves).... | 188,343 | 462,844 |
| Total..... | \$362,070 | \$868,868 |

On December 31, 1950, the association reported that 68 percent of its net worth was represented by sale of stock and the remaining 32 percent had been accumulated through retained allocated reserves.

The type and value of principal operating facilities owned by the Tennessee Farmers Cooperative on December 31, 1950, were as follows:

| <u>Type of facility</u> | <u>Number of plants or units</u> | <u>Cost value</u> | <u>Depre- ciated value</u> |
|-------------------------|--|-----------------------|------------------------------------|
| Fertilizer plant..... | 1 | \$176,408 | \$176,408 |
| Warehouses..... | 2 | 49,579 | 48,785 |
| Trucks..... | 2 | 9,291 | 4,887 |
| Total..... | | \$235,278 | \$230,080 |

As of December 31, 1950, Tennessee Farmers Cooperative had 48 employees - 20 in the fertilizer plant and warehouses; 8 field service and auditing; and 20 administrative and clerical.

PART II

SUMMARY INFORMATION FOR 20 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN 1949 AND 1950

In this section the information for the individual associations is summarized to show the characteristics of operations. Attention is given to age of associations, area of service, type of retail outlets, number of patrons served, number of employees, dollar volume of business, type of supplies handled, distribution of savings, and financial condition.

YEARS OF ORGANIZATION

The 20 regional cooperatives described in this report were organized in the following years:

| <u>Year</u> | <u>Associations organized Number</u> |
|-------------|--|
| 1907..... | 1 |
| 1914..... | 1 |
| 1917..... | 1 |
| 1918..... | 1 |
| 1920..... | 1 |
| 1923..... | 2 |
| 1926..... | 1 |
| 1927..... | 2 |
| 1929..... | 2 |
| 1930..... | 1 |
| 1931..... | 1 |
| 1933..... | 2 |
| 1934..... | 2 |
| 1945..... | 2 |

Only 5 of these associations were in existence by 1920. By 1930 there were 13. Five were established early in the 1930's and 2 in 1945. In 1950, their average age was 22 years.

AREA OF SERVICE

The 20 regional supply associations operate throughout the United States except for a large part of the South. Several regional purchasing associations serve the South and Southwest, but with the exception of Southern States Cooperative, Inc., which operates in Virginia as well as several nearby States, only four - Farmers Cooperative Exchange, Raleigh, N.C., Tennessee Farmers Cooperative, Nashville, Tenn., Arkansas Farmers Association, Little Rock, Ark., and the Consumers Cooperatives Associated, Amarillo, Tex. - each did a wholesale supply business in 1950 in excess of \$5 million. ^{48/} There are a number of other regional purchasing associations operating in the area served by the 20 large regional purchasing associations included in this report.

TYPE OF RETAIL OUTLET

The 20 major regional farm supply purchasing cooperatives distributed supplies through 9,162 retail outlets in 1949, and 8,670 in 1950. These were classified as follows:

| Type of retail outlet | 1949 | 1950 |
|--|-------|-------|
| Local cooperative member associations..... | 4,602 | 4,587 |
| Local cooperative non-member associations... | 1,442 | 1,064 |
| Affiliated cooperative service associations. | 744 | 751 |
| Private service agencies..... | 1,590 | 1,589 |
| Farmer-representatives..... | 784 | 679 |
| Total..... | 9,162 | 8,670 |

The local associations included in this classification are autonomous organizations. The "member associations" hold membership interests in the regional associations while the "non-member associations" are served by the regional cooperatives. "Affiliated cooperative service associations" are associations or branch outlets that are under direct management of regionals. "Private service agencies" are private concerns that perform a distributing service for the regional cooperatives in accordance with mutually agreeable policies. These plans include provisions for passing on to farmers the patronage refunds distributed by the regional. Similarly, the "farmer-representatives" are farmers who serve as distribution agents for the regionals. The association reports in Part I give more detailed information on the character of local service outlets.

^{48/} The two next largest regional farm supply purchasing cooperatives in this area are the Mississippi Federated Cooperatives, Jackson, Miss., and the Southwest Cooperative Wholesale, Phoenix, Ariz. Both of these regionals also perform cooperative marketing service.

NUMBER OF PATRONS SERVED

The 20 regional associations, through local outlets at the end of their 1950 fiscal year, were serving an estimated 2,741,336 farmer-patrons and 215,546 non-farmer patrons, or a total of 2,956,882 patrons. ^{49/} Thus 93 percent of the patrons were farmers, and 7 percent were non-farmers.

NUMBER OF EMPLOYEES

The 20 regionals included in this report at the end of their 1950 fiscal years employed 16,536 persons. Of these, an estimated 20 percent were engaged in general administration; 57 percent in manufacturing, processing, and wholesale distribution; and 23 percent in retail supply distribution and in agricultural marketing work.

DOLLAR VOLUME OF BUSINESS

The combined business of the 20 regional cooperatives, including the value of supplies distributed at wholesale and at retail plus the value of farm products marketed, amounted to \$939,255,628 for their fiscal years ending in 1950. The comparable volume for the similar periods ending in 1949 was \$853,163,293.

Sixteen associations each handled a volume of \$10 million or more, and of these 10 each handled \$29 million or more. The combined purchasing and marketing operations of the 10 associations amounted to \$803 million. The importance of the Cooperative Grange League Federation, Inc., in volume handled, is shown in table 1.

TYPES OF SUPPLIES HANDLED

The relative importance of the various supplies handled at wholesale ^{50/} by each of the 20 regional associations during the fiscal year ending in 1950 is shown in tables 2 and 3. Feed predominated in the dollar volume of 9 associations and petroleum products accounted for the largest part of the volume of 8 other associations.

In terms of dollar volume, groceries were the most important commodity distributed by the Central Co-operative Wholesale. Packaging material represented the bulk of the dollar volume of the Fruit Growers Supply Company and fertilizer in the volume of Tennessee Farmers Cooperative.

Data in table 4 show the relative importance of the total value of the various supplies distributed at wholesale by the 20 associations during the fiscal years ending in 1949 and 1950. The total dollar volume distributed in 1950 showed an increase of 6.8 percent over that in 1949.

^{49/} On the basis of other studies made by the Cooperative Research and Service Division, it is believed that this total considerably overstates the number of actual patrons.

^{50/} Eastern States distributes supplies direct to individual patrons and performs both wholesale and retail functions.

Table 1. - Dollar volume of farm supplies distributed and farm products marketed by 20 major farm supply purchasing cooperatives, fiscal years ending in 1949 and 1950

| Association | Year ended | Supplies distributed at wholesale | | Supplies distributed at retail | | Farm products marketed | | Total | |
|--|------------|-----------------------------------|---------------|--------------------------------|---------------|------------------------|---------------|---------------|---------------|
| | | 1949 | 1950 | 1949 | 1950 | 1949 | 1950 | 1949 | 1950 |
| Cooperative Grange League Federation Exchange, Inc. | June 30 | \$124,485,492 | \$126,703,598 | \$102,727,662 | \$104,371,735 | \$19,513,145 | \$14,483,967 | \$246,726,609 | \$245,559,300 |
| Southern States Cooperative, Inc. | June 30 | 75,556,150 | 76,960,802 | 32,315,468 | 32,592,836 | 12,261,060 | 4,918,242 | 120,532,678 | 114,471,880 |
| Indiana Farm Bureau Cooperative Association, Inc. b/ | Dec. 31 | 75,590,000 | 42,386,879 | - | - | 3,326,207 | 60,126,191 | 38,916,207 | 102,513,070 |
| Eastern States Farmers Exchange, Inc. c/ | Dec. 31 | 78,325,434 | 79,961,827 | - | - | - | - | 78,325,434 | 79,961,827 |
| Consumers Cooperative Association | Aug. 31 | 55,592,131 | 62,428,460 | - | - | - | - | 55,592,131 | 62,428,460 |
| The Farm Bureau Cooperative Association, Inc. d/ | Dec. 31 | 33,574,481 | 35,550,388 | - | - | 21,180,120 | 16,423,550 | 54,754,601 | 51,973,938 |
| Illinois Farm Supply Company | Aug. 31 | 44,585,284 | 47,586,737 | - | - | - | - | 44,985,284 | 47,586,737 |
| Farmers Union Central Exchange, Inc. | Dec. 31 | 34,989,609 | 38,773,985 | 13,382,449 | 11,755,130 | 1,984,696 | - | 34,989,609 | 38,773,985 |
| Farmers Cooperative Exchange, Inc. | June 30 | 14,000,278 | 16,752,309 | - | - | - | - | 29,567,423 | 30,639,062 |
| Midland Cooperative Wholesale | Dec. 31 | 27,114,613 | 29,460,996 | - | - | - | - | 27,114,613 | 29,460,996 |
| N.P.A. Milling Company | June 30 | 18,369,794 | 21,339,435 | - | - | - | - | 18,369,794 | 21,339,435 |
| Pacific Supply Cooperative | June 30 | 14,814,962 | 15,522,165 | - | - | 2,679,201 | 4,342,516 | 17,494,163 | 19,864,681 |
| Pennsylvania Farm Bureau Cooperative Association | Dec. 31 | 18,004,179 | 19,234,743 | 4,840,224 | 5,212,399 | 1,646,128 | - | 18,004,179 | 19,234,743 |
| Farm Bureau Services, Inc. | Aug. 31 | 11,208,309 | 10,846,098 | - | - | - | - | 17,694,661 | 18,108,333 |
| Fruit Growers Supply Company | Dec. 31 | 16,522,757 | 17,999,183 | - | - | - | - | 16,522,757 | 17,999,183 |
| Central Cooperative Wholesale | Dec. 31 | 10,375,367 | 10,716,584 | - | - | - | - | 10,375,367 | 10,716,584 |
| Consumers Cooperatives Associated | Oct. 31 | 10,365,748 | 9,115,859 | - | - | - | - | 10,365,748 | 9,115,859 |
| Arkansas Farmers Association | Dec. 31 | 3,440,252 | 7,228,776 | - | - | - | - | 3,440,252 | 7,228,776 |
| Farmers Union State Exchange | Sept. 30 | 4,453,890 | 5,277,215 | 1,346,549 | 1,488,892 | - | - | 5,985,439 | 6,766,107 |
| Tennessee Farmers Cooperative | Dec. 31 | 3,206,324 | 5,511,772 | - | - | - | - | 3,206,324 | 5,511,772 |
| Total | | \$675,960,074 | \$679,357,811 | \$154,612,352 | \$155,420,992 | \$62,590,867 | \$104,476,825 | \$853,163,293 | \$939,255,628 |

a/ Revised.

b/ On January 1, 1950, the Indiana Grain Cooperative merged with the Indiana Farm Bureau Cooperative Associations, Inc.

c/ Eastern States Farmers Exchange, Inc., distributing supplies direct to individual patrons performing both wholesale and retail functions.

d/ Business for 9 months, Jan.-Sept. 1949. Operating year changed from calendar year to fiscal year ending Sept. 30.

Table 2. - Dollar volume of farm supplies distributed at wholesale by 20 major regional farm supply purchasing cooperatives, fiscal years ending 1949 and 1950

| Association | Feed | Petro- leum pro- ducts | Ferti- lizer | Seed | Farm machin- ery and farm equip- ment | Lumber, paint, hardware, mainte- nance material | Crates, baskets, shooks, packaging material | Steel pro- ducts | Tires, tubes, auto access- ories | Insec- ticides and sprays | Elec- trical equip- ment appli- ances | Grocer- ies | Coal | Twine | Miscel- laneous | Total |
|---------------------------------|---------------|---------------------------------|-----------------|------------|--|--|---|------------------------|--|------------------------------------|--|----------------|-------|------------|--------------------|-------------------|
| | | | | | | | 1,000 dollars | | | | | | | | | |
| Cooperative Grange League | 85,404 | 11,035 | 11,710 | 5,635 | 2,093 | 2,013 | 690 | 2,491 | 1,263 | 2,034 | 1,101 | - | - | 717 | 652 | <u>2</u> /126,898 |
| Federation Exchange, Inc. | 68,646 | - | 4,637 | 3,864 | - | <u>2</u> /1,833 | - | - | - | 982 | - | - | - | - | - | 79,962 |
| Exchange, Inc. b/ | 46,655 | 4,294 | 12,814 | 5,230 | 1,504 | 698 | - | 2,790 | 655 | 1,044 | 1,198 | - | - | - | 79 | 76,961 |
| Southern States Farmers | 5,713 | 43,450 | 2,510 | 55 | 1,306 | 2,564 | - | 569 | 2,099 | 617 | 629 | 1,379 | 68 | 201 | 1,268 | 62,428 |
| Consumers Cooperative | 10,602 | 24,339 | 4,858 | - | 541 | 647 | - | 676 | 1,081 | 582 | <u>4</u> / | - | - | 108 | 4,153 | 47,587 |
| Illinois Farm Supply | 8,007 | 15,136 | 4,896 | 1,561 | 3,585 | 2,648 | - | 2,554 | 386 | 236 | 746 | - | 1,352 | 77 | 1,203 | 42,387 |
| Indiana Farm Bureau Cooperative | 2,136 | 25,510 | 1,073 | 714 | 2,155 | 1,905 | - | - | 3,216 | 301 | 583 | - | - | 261 | 920 | 38,774 |
| Association, Inc. | 11,456 | 10,741 | 4,283 | 1,779 | 2,494 | 1,266 | - | 1,361 | 267 | 362 | 356 | - | 394 | - | 791 | <u>6</u> /35,550 |
| The Farm Bureau Cooperative | 2,679 | 18,074 | 1,768 | 1,309 | 1,101 | 601 | - | 507 | 1,587 | 22 | 755 | <u>5</u> /335 | 474 | - | 249 | 29,461 |
| Midland Cooperative | 20,359 | - | - | 820 | - | 20 | - | 140 | - | - | - | - | - | - | - | 21,339 |
| M.P.A. Milling | 7,293 | 5,749 | 1,816 | 969 | 1,232 | 156 | - | 750 | 271 | 314 | 347 | - | - | 141 | 197 | 19,235 |
| Pennsylvania Farm Bureau | - | - | 1,489 | - | - | - | 15,381 | - | - | 440 | - | - | - | - | 689 | 17,999 |
| Cooperative Association | 5,987 | 2,694 | 2,694 | 3,181 | 1,126 | <u>2</u> /1,751 | - | <u>2</u> / | 57 | 551 | 735 | - | - | - | 670 | 16,752 |
| Exchange, Inc. | 1,000 | 9,807 | 1,186 | 113 | 1,126 | <u>2</u> /1,941 | - | <u>2</u> / | 541 | 434 | 144 | - | - | <u>2</u> / | 230 | 15,522 |
| Pacific Supply Cooperative | 3,115 | - | 2,865 | 1,286 | <u>1</u> /1,872 | 140 | - | 988 | 308 | 387 | <u>1</u> / | - | 193 | <u>1</u> / | - | 10,846 |
| Farm Bureau | <u>3</u> /227 | 5,831 | <u>1</u> /1,803 | <u>2</u> / | 252 | 587 | - | 181 | - | 52 | <u>1</u> / | 3,799 | 126 | 31 | 642 | 10,717 |
| Services, Inc. | 4,271 | 208 | 2,390 | 871 | 212 | 316 | - | - | 494 | <u>1</u> / | 120 | <u>2</u> / | - | - | 13 | 9,116 |
| Central Cooperative Wholesale | 1,439 | 3,187 | 78 | 78 | <u>2</u> /1,038 | 492 | - | - | - | - | - | - | 102 | - | 112 | 7,229 |
| Consumers Cooperative | 132 | - | - | - | - | - | - | - | 195 | - | - | - | - | - | 47 | 5,512 |
| Arkansas Farmers Association | 287,966 | 178,951 | 64,734 | 27,758 | 21,637 | 18,724 | 16,071 | 13,007 | 12,420 | 8,358 | 7,118 | 5,818 | 2,709 | 1,583 | 12,638 | 679,492 |
| Tennessee Farmers | | | | | | | | | | | | | | | | |
| Cooperative | | | | | | | | | | | | | | | | |
| Farmers Union State Exchange | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | |

a/ Includes \$134,000 of interdivisional business.
b/ Eastern States Cooperative, Inc., distributes supplies direct to individual patrons - performing both wholesale and retail functions.

c/ Includes some miscellaneous commodities.
d/ Less than one thousand dollars.
e/ Includes \$63,000 intercompany transactions.

f/ Includes some dry goods.
g/ Stoves included in lumber, paint, hardware, etc.

h/ Radio included in lumber, paint, hardware, etc.
i/ Electric equipment and twine included in farm machinery and farm equipment.

j/ Fertilizer and seed included in feed.
k/ Seed included in feed.

l/ Insecticide included in fertilizer.
m/ Groceries included in miscellaneous.

n/ Hardware included in machinery.

Table 3. - Percentage of total dollar volume represented by wholesale supply items distributed by 18 major regional farm supply purchasing cooperatives, fiscal year ending in 1950

| Association | Feed | Petro- leum pro- ducts | Ferti- lizer | Seed | Farm machin- ery and farm equip- ment | Lumber, paint, hardware mainte- nance material | Crates, baskets, shooks, packaging material | Steel tubes, ducts | Tires, tubes, auto access- ories | Insec- ticides and sprays | Elec- trical equip- ment appli- ances | Grocer- ies | Coal | Twine | Miscel- laneous | Total |
|---------------------------------|--------|---------------------------------|-----------------|------|--|---|---|--------------------------|--|------------------------------------|--|----------------|------|-------|--------------------|----------|
| | | | | | | | | | | | | | | | | |
| Cooperative Orange League | 67.3 | 8.7 | 9.2 | 4.4 | 1.7 | 1.6 | 0.5 | 2.0 | 1.0 | 1.6 | 0.9 | - | - | 0.6 | 0.5 | \$/100.0 |
| Federation Exchange, Inc. | | | | | | 0/2.3 | - | - | - | 1.2 | - | - | - | - | - | 100.0 |
| Eastern States Farmers | 85.9 | - | 5.8 | 4.8 | - | - | - | - | - | - | - | - | - | - | - | 100.0 |
| Exchange, Inc. b/ | | | | | | | | | | | | | | | | 100.0 |
| Southern States Farmers | 60.6 | 5.6 | 16.6 | 6.8 | 2.0 | 0.9 | - | 3.6 | 0.9 | 1.3 | 1.6 | - | - | - | .1 | 100.0 |
| Consumers Cooperative | | | | | | | | | | | | | | | | 100.0 |
| Association. | 9.2 | 69.6 | 4.0 | 0.1 | 2.1 | 4.1 | - | 0.9 | 3.4 | 1.0 | 1.0 | 2.2 | 0.1 | .3 | 2.0 | 100.0 |
| Illinois Farm Supply Company. | 28.3 | 51.2 | 10.2 | - | 1.1 | 1.4 | - | 1.4 | 2.3 | 1.2 | 0/ | - | - | .2 | 8.7 | 100.0 |
| Indiana Farm Bureau Cooperative | | | | | | | | | | | | | | | | 100.0 |
| Farmers Union, Inc. | 18.9 | 35.7 | 11.6 | 3.7 | 8.5 | 6.2 | - | 6.0 | .9 | 0.5 | 1.8 | - | 3.2 | .2 | 2.8 | 100.0 |
| Farmers Union, Central | | | | | | | | | | | | | | | | 100.0 |
| Exchange, Inc. | 5.5 | 65.8 | 2.8 | 1.8 | 5.5 | 4.9 | - | - | 8.3 | .8 | 1.5 | - | - | .7 | 2.4 | 100.0 |
| The Farm Bureau Cooperative | | | | | | | | | | | | | | | | 100.0 |
| Association (Ohio) | 32.2 | 30.2 | 12.1 | 5.0 | 7.0 | 3.6 | - | 3.8 | .8 | 1.0 | 1.0 | 0/1.1 | 1.1 | - | 2.2 | \$/100.0 |
| Midland Cooperative Wholesale. | 9.1 | 61.4 | 6.0 | 4.4 | 3.7 | 2.0 | - | 1.7 | 5.4 | .1 | 2.6 | - | 1.6 | - | .9 | 100.0 |
| M.P.A. Milling Company. | 95.4 | - | - | 3.8 | - | .1 | - | .7 | - | - | - | - | - | - | - | 100.0 |
| Pennsylvania Farm Bureau | | | | | | | | | | | | | | | | 100.0 |
| Cooperative Association. | 37.9 | 29.9 | 9.5 | 5.1 | 6.4 | .8 | - | 3.9 | 1.4 | 1.6 | 1.8 | - | - | .7 | 1.0 | 100.0 |
| Fruit Growers Supply Company. | | | | | | | 85.5 | - | - | 2.4 | - | - | - | - | 3.8 | 100.0 |
| Farmers Cooperative | | | | | | | | | | | | | | | | 100.0 |
| Exchange, Inc. | 35.7 | - | 16.1 | 19.0 | 6.7 | 1/10.4 | - | 1/ | .4 | 3.3 | 4.4 | - | - | - | 4.0 | 100.0 |
| Pacific Supply Cooperative. | 6.4 | 63.2 | 7.6 | .7 | 7.3 | 0/6.1 | - | - | 3.5 | 2.8 | .9 | - | - | - | 1.5 | 100.0 |
| Farm Bureau | | | | | | | | | | | | | | | | 100.0 |
| Services, Inc. | 28.7 | - | 26.4 | 11.8 | 1/17.3 | 1.3 | - | 9.1 | 2.9 | 3.6 | h/ | - | 1.8 | h/ | 6.0 | 100.0 |
| Central Cooperative Wholesale. | 1/25.6 | 14.8 | 1/ | 1/ | 2.3 | 5.5 | - | 1.7 | - | .5 | 3/8 | 35.4 | 1.2 | 1.2 | - | 100.0 |
| Consumers Cooperatives | | | | | | | | | | | | | | | | 100.0 |
| Associated. | 4/3.6 | 64.0 | 10/19.8 | 1/ | 2.3 | 3.5 | - | - | 5.4 | k/ | 1.3 | 1/ | - | - | .1 | 100.0 |
| Arkansas Farmers Association. | 59.1 | - | 26.9 | 4.0 | - | - | - | - | - | - | - | - | - | - | 10.0 | 100.0 |
| Tennessee Farmers | 26.1 | 3.8 | 43.4 | 15.8 | - | 8.9 | - | - | - | - | - | - | - | - | 2.0 | 100.0 |
| Cooperative. | 2.5 | 60.4 | - | 1.5 | 19/19.7 | 2.7 | - | - | 3.7 | - | - | 5.8 | 1.9 | .9 | .9 | 100.0 |
| Farmers Union State Exchange. | | | | | | | | | | | | | | | | 100.0 |
| Total | 42.4 | 26.3 | 9.5 | 4.1 | 3.2 | 2.8 | 2.4 | 1.9 | 1.8 | 1.2 | 1.0 | .9 | .4 | .2 | 1.9 | 100.0 |

a/ Includes a small amount of interdivisional business.

b/ Eastern States Cooperative, Inc., distributes supplies direct to individual patrons -

c/ Including both wholesale and retail functions.

d/ Includes some dry goods.

e/ Less than 1/10th of 1 percent.

f/ Includes some dry goods.

g/ Steel included in lumber, paint, hardware, etc.

h/ Twine included in lumber, paint, hardware, etc.

i/ Electrical equipment and twine included in farm machinery and farm equipment.

j/ Fertilizer and seed included in feed.

k/ Seed included in feed.

l/ Insecticides included in fertilizer.

m/ Groceries included in miscellaneous.

n/ Hardware included in machinery.

Table 4.- Dollar volume of supplies distributed at wholesale by 20 major regional farm supply purchasing cooperatives for fiscal years ending in 1949 and 1950

| Commodity | 1949 | | 1950 | | Increase or decrease |
|--|---------------|---------------------|---------------|---------------------|----------------------|
| | Volume | Percentage of total | Volume | Percentage of total | |
| | 1,000 dollars | Percent | 1,000 dollars | Percent | Percent |
| Feed..... | 274,147 | 43.1 | 287,966 | 42.4 | +5.0 |
| Petroleum products..... | 166,181 | 26.1 | 178,951 | 26.3 | +7.7 |
| Fertilizer..... | 58,918 | 9.3 | 64,734 | 9.5 | +9.9 |
| Seed..... | 24,651 | 3.9 | 27,758 | 4.1 | +12.6 |
| Farm machinery and farm equipment..... | 25,771 | 4.1 | 21,637 | 3.2 | -16.0 |
| Lumber, paint, hardware, and maintenance material. | 17,865 | 2.8 | 18,724 | 2.8 | +4.8 |
| Crates, baskets, shooks, and packaging material... | 13,186 | 2.1 | 16,071 | 2.4 | +21.9 |
| Steel products..... | 11,789 | 1.9 | 13,007 | 1.9 | +10.3 |
| Tires, tubes, and auto accessories..... | 9,619 | 1.5 | 12,420 | 1.8 | +29.1 |
| Insecticides and sprays.... | 8,016 | 1.2 | 8,358 | 1.2 | +4.3 |
| Electrical equipment and appliances..... | 5,301 | 0.8 | 7,118 | 1.0 | +34.3 |
| Groceries..... | 6,027 | 0.9 | 5,818 | 0.9 | -3.5 |
| Coal..... | 1,615 | 0.2 | 2,709 | 0.4 | +67.7 |
| Twine..... | 1,224 | 0.2 | 1,583 | 0.2 | +29.3 |
| Miscellaneous..... | 11,890 | 1.9 | 12,638 | 1.9 | +6.3 |
| Total..... | a/636,200 | 100.0 | b/ 679,492 | 100.0 | +6.8 |

a/ Includes \$240,000 of intercompany transactions.

b/ Includes \$197,000 of intercompany transactions.

Feed, petroleum products, and fertilizer made up 78 percent of the total dollar volume of supplies distributed at wholesale in 1950. The value of feed distributed showed an increase of 5 percent over last year. Petroleum products increased 7.7 percent in dollar volume and fertilizer increased 9.9 percent. All but two of the 14 commodities listed showed an increase in dollar volume. Farm machinery and farm equipment decreased 16 percent and groceries decreased 3.5 percent.

DISTRIBUTION OF SAVINGS

The amount and distribution of the combined net savings of the 20 associations for the fiscal years ending in 1949 and 1950 are shown in table 5. The total savings increased from \$19,819,360 in 1949 to \$28,810,648 in 1950 or 45 percent. Savings returned to patrons as cash patronage refunds increased 37 percent. Savings returned as patronage refunds in the form of capital stock, certificates of equity, or other equity holdings increased 45 percent. Cash dividends applied on stock increased 8 percent, and the amount of savings retained in reserves increased 97 percent.

Table 5. - Distribution of combined net savings of 20 major regional farm supply purchasing cooperatives for fiscal years ending in 1949 and 1950

| Distribution of net savings | 1949 | 1950 | Percentage increase |
|---|--------------|--------------|------------------------|
| Cash patronage refunds... | \$7,011,917 | \$9,575,268 | 36.6 |
| Deferred patronage refunds <u>a</u> /..... | 5,910,421 | 8,542,596 | 44.5 |
| Cash dividends on stock.. | 3,238,331 | 3,504,797 | 8.2 |
| Retained in reserves..... | 3,658,691 | 7,187,987 | 96.5 |
| Total..... | \$19,819,360 | \$28,810,648 | 45.4 |

a/ Evidenced by capital stock, certificates of equity, and other equity holdings.

During 1950, \$1,561,032 worth of stock and certificates, originally issued as patronage refunds, was retired under the revolving fund plan by these regionals.

FINANCIAL CONDITION

The financial condition of the 20 supply associations at the close of their fiscal years ending in 1949 and 1950 is summarized in table 6.

Table 6. - Consolidated financial statement of 20 major regional farm supply purchasing cooperatives at the close of their fiscal years ending in 1949 and 1950

| Item | 1949 | | 1950 | |
|---|---------------|-----------------------------|---------------|-----------------------------|
| | Amount | Percent- age of total | Amount | Percent- age of total |
| Assets: | | | | |
| Current assets..... | \$147,414,989 | 47.4 | \$173,042,798 | 49.7 |
| Fixed assets..... | 106,787,804 | 34.3 | 114,435,279 | 32.8 |
| Other assets..... | 57,076,983 | 18.3 | 61,006,832 | 17.5 |
| Total..... | \$311,279,776 | 100.0 | \$348,484,909 | 100.0 |
| Liabilities and members' equities: | | | | |
| Current liabilities... | \$69,896,260 | 22.5 | \$76,056,382 | 21.8 |
| Other liabilities..... | 54,955,371 | 17.6 | 59,175,697 | 17.0 |
| Members' equities (capital and reserves)..... | 186,428,145 | 59.9 | 213,252,830 | 61.2 |
| Total..... | \$311,279,776 | 100.0 | \$348,484,909 | 100.0 |

The combined total assets increased from \$311,279,776 in 1949 to \$348,484,909 in 1950, or 12 percent. Members' equities increased from \$186,428,145 to \$213,252,830, or 14 percent. At the end of the 1950 fiscal year, members' equities equaled 61 percent of the total assets compared with 60 percent for the preceding period. The 20 associations averaged \$2.28 in current assets for each \$1 in current liabilities at the end of the 1950 fiscal year. The current ratio in 1949 was \$2.11 to \$1.

APPENDIX

VALUE OF SUPPLIES DISTRIBUTED BY FOUR MAJOR REGIONAL
MARKETING COOPERATIVES FOR FISCAL YEARS
ENDING IN 1949 AND 1950

Five major regional marketing cooperatives which distribute large volumes of farm supplies are Land O'Lakes Creameries, Inc., Poultry Producers of Central California, The Cotton Producers Association, Utah Poultry and Farmers Cooperative, and Washington Co-operative Farmers Association. The Cotton Producers Association and the Land O'Lakes Creameries, Inc., are of the federated type and distribute farm supplies at wholesale to local member associations. The others are centralized organizations that distribute direct to farmers through local branches.

LAND O'LAKES CREAMERIES, INC.

The value of feed, seed, and fertilizer distributed to its members by the Land O'Lakes Creameries, Inc. - headquarters at Minneapolis, Minn. for the years ending December 31, 1949 and 1950 was as follows:

| <u>Commodity</u> | <u>51/ 1949</u> | <u>1950</u> |
|------------------|-----------------|-------------|
| Feed..... | \$4,869,499 | \$5,205,600 |
| Fertilizer..... | 1,271,078 | 1,661,576 |
| Seed..... | 956,616 | 1,001,473 |
| Total..... | \$7,097,193 | \$7,868,649 |

Net savings on these operations amounted to \$138,912 in 1949, and \$231,098 in 1950.

POULTRY PRODUCERS OF CENTRAL CALIFORNIA

The Poultry Producers of Central California with headquarters in San Francisco, Calif., distributed feed, petroleum products, and other farm supplies for the fiscal years ending December 31, 1949 and 1950, as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|--|--------------|--------------|
| Feed..... | \$24,278,066 | \$23,392,061 |
| Gasoline and other petroleum products. | 1,546,147 | 1,707,065 |
| Other farm supplies..... | 1,384,277 | 1,584,147 |
| Total..... | \$27,208,490 | \$26,683,273 |

Net savings on supply operations were \$2,553,700 in 1949, and \$2,364,311 in 1950.

THE COTTON PRODUCERS ASSOCIATION

The Cotton Producers Association, headquarters at Atlanta, Ga. - now serves farmers in Georgia, practically all of Florida, and part of Alabama through member associations and dealer representatives. Fertilizer, feed, and other farm supplies were distributed to its members during the fiscal years ending June 30, 1949 and 1950, as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|--------------------------|-------------|-------------|
| Fertilizer..... | \$2,038,823 | \$2,233,050 |
| Feed..... | 2,047,824 | 2,024,477 |
| Seed..... | 735,533 | 1,023,601 |
| Other farm supplies..... | 701,184 | 806,290 |
| Total..... | \$5,523,364 | \$6,087,418 |

Net savings on supply operations amounted to \$290,125 in 1949, and \$324,880 in 1950.

UTAH POULTRY AND FARMERS COOPERATIVE

The value of feed and other farm supplies distributed by the Utah Poultry and Farmers Cooperative, Salt Lake City, Utah, during the years ending December 31, 1949 and 1950, was as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|--------------------------|-------------|-------------|
| Feed..... | \$5,781,136 | \$5,692,464 |
| Other farm supplies..... | 2,454,920 | 2,015,841 |
| Total..... | \$8,236,056 | \$7,708,305 |

Net savings on supply operations were \$178,475 in 1949, and \$351,861 in 1950.

WASHINGTON CO-OPERATIVE FARMERS ASSOCIATION

The Washington Co-operative Farmers Association, Seattle, Wash., distributed feed, petroleum, and other farm supplies during the years ending December 31, 1949 and 1950, as follows:

| <u>Commodity</u> | <u>1949</u> | <u>1950</u> |
|--------------------------|--------------|--------------|
| Feed..... | \$18,098,765 | \$15,311,513 |
| Petroleum..... | 4,647,187 | 4,657,008 |
| Fertilizer..... | 488,787 | 524,952 |
| Seed..... | 353,654 | 327,591 |
| Other farm supplies..... | 1,066,952 | 1,199,279 |
| Total..... | \$24,655,345 | \$22,020,343 |

The association showed net savings on supply operations amounting to \$1,167,856 in 1949, and \$1,497,372 in 1950, after paying 4 percent interest on finance certificates for financing supply operations.

COMBINED DOLLAR VOLUME

Altogether, the total dollar volume of supplies distributed by the five marketing associations amounted to \$72,720,448 in 1949, and \$70,367,988 in 1950 - a decrease of 3 percent. Feed was the principal supply item handled. The dollar volume of this item decreased 6 percent, however, and the dollar volume of all other supplies increased 6 percent. In 1950 feed represented 73 percent of the total dollar volume of supplies distributed - about 3 percent under that of last year. The dollar volume was \$55,075,290 in 1949, and \$51,626,115 in 1950. The dollar volume of other farm supplies increased from \$17,645,158 in 1949, to \$18,741,873 in 1950.



